

CITY COUNCIL REPORT



Meeting Date: **June 19, 2012**
 General Plan Element: ***Economic Vitality***
 General Plan Goal: ***Sustain Scottsdale as a tourist destination***

ACTION

Council is requested to:

Adopt Resolution No. 9086 (Attachment No. 1) authorizing Contract No. 2012-053-COS, "Five Year Marketing Services Agreement" (Attachment No. 2) between the City and the Scottsdale Convention and Visitors Bureau, Inc., (SCVB) for the provision of marketing services.

BACKGROUND

The mission of the City's Tourism Development Program (the Program) is to enhance the economic well being and quality of life of the community and its residents by strengthening the local tourism industry. The Program consists of four key activities: 1) support of tourism-driven and community events; 2) visitor and industry related research; 3) tourism-related capital projects; and 4) destination sales and marketing.

The Tourism Development Program activities are funded from the City's Transaction Privilege Tax on Transient Lodging, or "bed tax" revenue. The City's bed tax rate is a percentage of the hotel room rate and is paid by guests staying in the City's hotels and resorts. The City's current bed tax rate is 5% and is allocated as follows: fifty (50) percent of the total bed tax revenue derived from the bed tax will be used for destination marketing to promote tourism, and the remaining fifty (50) percent will be allocated among tourism research and administration, support for tourism-driven events, tourism-related capital projects, and other eligible uses as determined by ordinance and state law.

The Program's Destination Marketing component has been accommodated through the public/private partnership which originated in 1977 between the City and the Convention/Tourism Division of the Scottsdale Chamber of Commerce. In 2002, the Scottsdale Convention and Visitors Bureau transitioned into a separate entity.

The leadership of the SCVB is provided by the 21-member Board of Directors, all with national and local tourism industry experience, focused solely on ensuring a successful local tourism industry as measured by financial impact in the community. Further, the SCVB has the qualified and experienced staff necessary for the successful implementation of the City's contract for destination marketing.

In 2009, the City Auditor conducted a “contract monitoring and compliance audit” of the FY2007-2008 SCVB contract. The overall conclusion was that the contract is being monitored effectively and that the city is receiving the services for which it is paying. In 2010 a multi-year destination marketing agreement was approved by city council. Staff is presenting a five-year agreement for City Council consideration in conjunction with a five year single source determination awarded to the SCVB by the city.

The proposed five-year Destination Marketing Services Agreement continues to ensure that City funds are used for the Program of Work as presented in the Destination Marketing Guide. The Agreement is monitored on an ongoing basis by the City’s contract administrator through quarterly performance measures, programming updates and financial reports. In addition to the quarterly reports, the terms of the SCVB’s contract call for an annual audit and year-end Financial and Performance reports.

On May 8, 2012, the Tourism Development Commission (TDC) approved a recommendation to the Mayor and City Council to approve the FY12/13 “Destination Marketing Plan” and budget submitted by the Scottsdale Convention and Visitors Bureau.

ANALYSIS & ASSESSMENT

In 2010, the local market was impacted by recession related downturns in hotel performances, as well as reductions or elimination of corporate meetings in warm weather destinations. In 2011, the Scottsdale tourism industry began a slow recover, mostly due to growth in the leisure and meeting business sectors. The growth that the Scottsdale tourism industry experienced in 2011 is expected to continue in 2012-13. As reported by Smith Travel Research, occupancy in the Scottsdale market increased slightly from 60% in 2010, to 61% in 2011.

The City’s Financial Services Department reported bed tax revenue through March is up 6% over the same period last fiscal year.

The proposed FY11/12 Destination Marketing contract budget amount is \$6,692,500 which represents 50% of the estimated FY11/12 bed tax total of \$13,385,000. An allocation of \$265,717 will be prepared from non-destination marketing funds toward the 2013 Fiesta Bowl Games.

Proposed SCVB FY12/13 Destination Marketing Plan

With the estimated increase in the SCVB’s contract budget, the SCVB is planning to maintain the programs which provide a consistent return on investment as well as implement new marketing programs which will allow Scottsdale to remain a competitive destination. The following are a few areas the SCVB will focus on this year to drive new visitation and meeting groups to Scottsdale: 1) avid golfers, 2) target specific market areas such as New York and Chicago, 3) website redesign, 4) implement marketing campaigns to capture market share in identified need periods.

The following additional areas identified by the City’s Business and Economic Development Department are also addressed throughout the 2012-13 Destination marketing guide: Medical

Tourism, WestWorld, Scottsdale Airport, Business Meetings, Downtown Scottsdale, Sports, and Arts & Culture.

The attached "Destination Marketing Guide/2012-2013" (Attachment No.2 Exhibit A) describes the destination marketing plan and the tactics that will be used to implement next year's Program of Work. The plan and proposed budget have also been reviewed and recommended by the Tourism Development Commission and the Scottsdale CVB Board of Directors.

The general direction and major activity areas to be undertaken by the SCVB are outlined below, and are reflective of the SCVB's primary mission as a sales and marketing organization. The three main objectives of the FY12/13 program are: 1) generating room nights, 2) continued upscale branding of Scottsdale as a desirable tourist destination, and 3) providing top-notch service to visitors, customers, and members.

As detailed in the FY12/13 Destination Marketing Guide, this will be accomplished through a multifaceted program consisting of the following activities:

- Advertising and Marketing
- Online Marketing and Social Media
- Direct Group Meeting and Travel Industry Sales
- Event Promotional Programs
- Production and Distribution of Promotional Material
- Convention and Visitor Services
- Public and Media Relations

Fiscal Year 2012/13 consists of the following program elements and budget allocations:

FY2012/2013
SCVB Destination Marketing Services Funding Budget

	FY12/13	FY11/12
Contract Amount	\$6,692,500	\$6,123,500
Fiesta Bowl	\$265,717	\$ 255,497
P.F. Chang R 'n' R	Pending	\$90,000
TOTAL	\$6,958,217	\$6,468,997

The Fiesta Bowl expenditure is per the terms of the 2007-2026 agreement approved by City Council on August 28, 2006. The P.F. Chang Rock 'n Roll Marathon contract with the SCVB will expire following the 2013 event. An agreement with the city and the SCVB to fund the final year of the agreement will be negotiated and presented to City Council for approval at a later date.

Community Involvement

In addition to its Quarterly Membership Meetings, the SCVB also conducts periodic meetings with representatives of the tourism community, specifically the SCVB Task Forces on Resort Spas, Golf, and Tourism Marketing to solicit input regarding sales and marketing programs. Their direction is reflected in the FY12-13 Destination Marketing Guide.

The Destination Marketing program and budget were also discussed at the February 14, March 20, and May 8, 2012 Tourism Development Commission meetings. These were public meetings with the opportunity for public comment.

RESOURCE IMPACTS

The City's Financial Services Department is estimating FY2012/13 bed tax revenue of \$13,385,000. Fifty (50) percent of the total bed tax revenue derived from the bed tax will be used for destination marketing to promote tourism, and the remaining fifty (50) percent will be allocated among tourism research, support for tourism-driven events, tourism-related capital projects, and other eligible uses. During the terms of the agreement, financial services will regularly include bed tax revenues and expenditures in City Council financial updates and information.

The proposed FY12/13 Destination Marketing contract amount of \$6,692,500 is included in the tourism development bed tax FY12/13 budget. The proposed contract budget also includes FY2011/12 carry over funds in the amount of \$81,948.

The SCVB anticipates their total FY12/13 operating budget to be approximately \$10,848,217. City contract amount accounted for almost 60% of the of the FY11/12 budget and is estimated to be 62% of the FY12/13 budget, pending specific amounts from the Arizona Office of Tourism, Ft. McDowell Yavapai Nation, and Salt River Pima Maricopa Indian Community. The private sector contributed approximately 11% of the total FY11/12 SCVB budget, and the Town of Paradise Valley contributed approximately 9 percent.

Staffing, Workload Impact

No additional staffing or other resources are anticipated for the implementation of the Destination Marketing Services Agreement.

Future Budget Implications

Per City Audit Report No. 0909 recommendation, staff is once again presenting a multi-year agreement for Council consideration in conjunction with a five year single source determination awarded to the SCVB by the city. Per the terms of the proposed agreement, future funding for multi-year SCVB commitments such as the 20-year Fiesta Bowl agreement, as well as all other destination marketing activities, will require City Council approval.

The City has also provided that, after successful completion of the performance requirements in the "2007-2026 Scottsdale Convention and Visitors Bureau and Fiesta Bowl Hospitality and Promotional Agreement" (Fiesta Bowl agreement), and fulfillment of the lease agreement between the City and the Fiesta Bowl, the City would transfer the deed to approximately 4,000 square feet of City-owned

space at the Scottsdale Waterfront development to the Fiesta Bowl organization. This space was acquired by the City at no charge as a condition of the Waterfront Development Agreement and is currently leased by the City to Fiesta Bowl for the Fiesta Bowl Museum. The estimated value of this space at the time of the agreement was \$2 million.

The Fiesta Bowl agreement also provides up to \$15,000 of in-kind City of Scottsdale police escort services annually.

OPTIONS & STAFF RECOMMENDATION

1. Adopt Resolution No. 9086 authorizing Contract No. 2012-053-COS, "Five Year Marketing Services Agreement" between the City and the Scottsdale Convention and Visitors Bureau, Inc.," (SCVB) for the provision of marketing services.
2. Do not adopt Resolution No. 9086.

RESPONSIBLE DEPARTMENT(S)

Economic Development

STAFF CONTACTS (S)

Steve Geiogamah, Tourism Development Coordinator Economic Vitality Department,
sgeiogamah@scottsdaleaz.gov

APPROVED BY

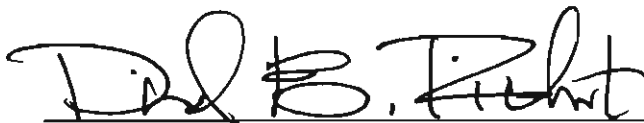


Paul T. Katsenes, Executive Director

Community & Economic Development

480-312-2890, pkatsenes@scottsdaleaz.gov

6-4-12
Date



David E. Richert, City Manager

480-312-2811, DRichert@scottsdaleaz.gov

6/5/12
Date

ATTACHMENTS

1. Resolution No. 9086
2. Destination Marketing Service Contract No. 2012-053-COS
3. May 8, 2012 Tourism Development Commission Meeting Minutes

RESOLUTION NO. 9086

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SCOTTSDALE, MARICOPA COUNTY, ARIZONA,
AUTHORIZING A DESTINATION MARKETING SERVICES
AGREEMENT NO. 2012-053-COS WITH SCOTTSDALE
CONVENTION AND VISITORS BUREAU

WHEREAS:

A. Scottsdale Convention and Visitor's Bureau, Inc. ("SCVB") was formed to promote Scottsdale as a tourism destination.

B. The City of Scottsdale ("City") is committed to maintaining and enhancing these important community benefits.

C. City has enjoyed a long mutually beneficial relationship with SCVB to promote Scottsdale as tourism destination.

D. Joint marketing programs, sponsorship of tourist season events and other promotional efforts by City and SCVB to promote Scottsdale as a tourism destination will provide important benefits to Scottsdale's tourism industry and Scottsdale generally.

E. Such efforts will help Scottsdale maintain and enhance its place as a first-class tourism destination.

F. City and SCVB desire to enter into a Destination Marketing Services Agreement to jointly promote Scottsdale as a tourism destination.

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. The Mayor is hereby authorized to execute on behalf of the City of Scottsdale Destination Marketing Services Agreement No. 2012-053-COS.

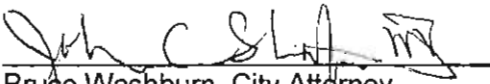
PASSED AND ADOPTED by the Council of the City of Scottsdale this ____ day of _____, 20____.

W. J. "Jim" Lane, Mayor

ATTEST:

By: _____
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:



Bruce Washburn, City Attorney
By: John C. Shafer, III
Asst. City Attorney

9767557v1

Contract No. 2012-053-COS

DESTINATION MARKETING SERVICES AGREEMENT

THIS DESTINATION MARKETING SERVICES agreement (the "Agreement") is made and entered into this _____ day of _____, 2012, by City of Scottsdale, an Arizona municipal corporation ("City") and Scottsdale Convention and Visitors Bureau, Inc. an Arizona non-profit corporation ("SCVB").

RECITALS

A. City and SCVB desire to pursue certain objectives (the "Marketing Objectives") to enhance and promote Scottsdale as a tourism destination. The Marketing Objectives are:

1. Generate increased economic activity through the effective marketing of City as a tourist and meetings destination.
2. Increase national and international exposure.
3. Attract leisure business.
4. Respond to consumer information requests.
5. Increase convention and meeting bookings through assistance to hoteliers.
6. Increase group and individual tour business through solicitation and servicing.
7. Support a climate within the City of Scottsdale wherein tourism may flourish through the active participation and cooperation of government and private sectors.

B. City collects certain funds under Scottsdale Revised Code, Appendix C, Sec. 447 (the "Bed Tax Funds") to be used, pursuant to Financial Policy 21A, to help promote certain events and other marketing activities that support the Marketing Objectives.

C. City and SCVB desire to enter into this Agreement regarding fifty percent (50%) of the Bed Tax Funds (the "Marketing Funds"), subject to availability, appropriation and the other limitations, conditions and requirements of this Agreement.

D. City is willing to provide the Marketing Funds if SCVB performs certain activities (the "Marketing Activities") to promote the Marketing Objectives.

E. This Agreement and SCVB's performances hereunder will provide direct benefit to City and to the general public by the enhancement of the economic and tourism climate of City and its environs.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings and promises contained herein, City and SCVB agree as follows:

I. TERM OF AGREEMENT

1. Term of Agreement. The term of this Agreement shall be as follows:

1.1. Years. A "year" under this Agreement shall begin at 12:01 a.m. on July 1 and shall end at 11:59 p.m. on the following June 30.

1.2. Original Term Expiration. The original term of this Agreement shall begin at the beginning of year 2012/2013 and shall terminate at the end of year 2016/2017, unless sooner terminated as set forth in this Agreement.

1.3. Termination. City or SCVB may, without prejudice to any other right or remedy, terminate this Agreement for any cause or reason or without cause or reason on thirty (30) days notice.

II. MARKETING ACTIVITIES

2. Marketing Activities. SCVB shall conduct the Marketing Activities as follows:

2.1 Required Marketing Activities. SCVB shall perform the following Marketing Activities:

2.1.1 Destination Marketing Guide. SCVB shall each year prepare a "destination marketing guide" (the "Marketing Guide") as follows:

2.1.1.1 Initial Marketing Guide. City approves the proposed marketing guide attached hereto as **Exhibit "A"** as the Marketing Guide for year 2012/2013.

2.1.1.2 Marketing Guide Approval. No later than May 1 of each year during the term of this Agreement, (including the last year) SCVB shall deliver to City a proposed marketing guide for the subsequent year. If City's city council approves the proposed new marketing guide prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new marketing guide shall be the Marketing Guide under this Agreement during the subsequent year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed marketing guide.

2.1.1.3 Marketing Guide Review. City and SCVB shall conduct a semi-annual review of the objectives, expenditure estimates, estimated effects and other aspects of the Marketing Guide.

2.1.1.4 Marketing Guide Changes. Changes to the Marketing Guide shall require City's contract administrator's approval. The preceding sentence does not apply to changes to individual media and sales activities listed in the schedule attached to the Marketing Guide that do not otherwise change the Marketing Guide. For example, SCVB may choose to advertise in a different magazine or change sales calls to a different city.

2.1.2 Performance Standards. SCVB shall each year prepare a list of specific performance criteria (the "Performance Standards") for Marketing Activities as follows:

2.1.2.1 Initial Performance Standards. City approves the proposed performance standards attached hereto as **Exhibit "B"** as the Performance Standards for year 2012/2013.

2.1.2.2 Performance Standards Approval. No later than May 1 of each year during the term of this Agreement (including the last year), SCVB shall deliver to City proposed performance standards for the subsequent year. If City's city council approves the proposed new performance standards prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new performance standards shall be the Performance Standards under this Agreement during the subsequent year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed performance standards.

2.1.2.3 Performance Standards Review. City and SCVB shall conduct a semi-annual review of the objectives, expenditure estimates, estimated effects and other aspects of the Performance Standards.

2.1.2.4 Performance Standards Changes. Changes to the Performance Standards shall be mutually agreed upon by SCVB and City's contract administrator.

2.1.3 Event Marketing. SCVB shall promote Scottsdale as a travel destination using major tourist-oriented festivals, competitions and other events that advance the Marketing Objectives (the "Events") as part of an overall marketing program (as hereinafter provided).

2.1.4 Program of Marketing Activities. SCVB shall use the Marketing Funds to carry out the following program of Marketing Activities as set out in the Marketing Guide:

2.1.4.1 Marketing Target. SCVB shall position Scottsdale as a tourist and meetings destination and shall direct staff and resources to those generally accepted target market segments in all business categories.

2.1.4.2 Communications. SCVB shall carry out marketing communications by implementing marketing strategies that position Scottsdale as a destination and that generate leisure and business travel from individual, meeting, and leisure group markets. Those strategies are: advertising; event and consumer promotions; database relationship marketing; public relations; web site maintenance, enhancements, and development; and on-line marketing program and promotions.

2.1.4.3 Tourism Industry Sales. SCVB shall carry out sales and marketing activities to tour operators, travel agents, incentive buyers, and receptive operators serving high-end leisure groups, and individual travelers in target markets identified by SCVB in order to promote visitation to Scottsdale.

2.1.4.4 Meetings and Convention Sales. SCVB shall carry out programs that reinforce relationships with existing clients, and that seek out sources of new business

from small to medium size corporate groups, incentive travel programs, and key industry association meetings.

2.1.4.5 Convention Services. SCVB shall provide meeting management services and other logistical support to meetings and conventions in Scottsdale.

2.1.4.6 Visitor Services. SCVB shall provide a full service visitor center open at least eight (8) hours per day not less than five (5) days per week to handle visitor inquiries generated by consumer marketing programs and walk-in persons.

2.1.5 Advice. SCVB shall advise City on how various activities or plans may affect tourism marketing.

2.1.6 New Programs. SCVB shall develop, implement and manage such new City-directed tourism marketing programs as City may add to this Agreement from time to time. City shall determine, with advice from SCVB, the primary function of the new program and the anticipated costs of program operation. New programs shall be subject to City's city council's approval and SCVB's approval.

2.2 Coordination. SCVB shall coordinate tourism marketing activities with City departments and programs to avoid duplication of efforts and to enhance the breadth and scope of tourism marketing programs within the community.

2.3 Conduct of Marketing Activities. SCVB shall conduct the Marketing Activities in conformance with the Marketing Guide and the Performance Standards.

2.4 SCVB Contracts with Others. If City's contract administrator approves in advance, SCVB may also enter into agreements with other public entities or organizations to provide similar destination marketing or related services. City approves the continuance of the existing marketing relationships that SCVB currently has with the Town of Sedona, the Fort McDowell Yavapai Nation, the Salt River Pima Maricopa Indian Community, and the Town of Paradise Valley.

III. TOURISM RELATED EVENTS

3. Tourism Related Events. SCVB shall solicit and support Events in compliance with the following:

3.1 Event Contracts. If SCVB supports a specific Event using any funds or other resources provided by City, whether or not this Agreement mentions the specific Event, then SCVB shall enter into a contract (the "Event Contract") with the Event producer as follows:

3.1.1 The Event Contract shall require the Event producer (the "Producer") to satisfy certain requirements by certain dates (the "Event Producer Requirements") as determined by the Producer and SCVB.

3.1.2 The Event Contract shall require SCVB to satisfy certain requirements (the "Event SCVB Requirements") as determined by the Producer and SCVB.

3.1.3 The Event Contract shall require SCVB to make best efforts to cause City to satisfy certain requirements (the "Event City Requirements") by certain dates as determined by the Producer and SCVB. Unless this Agreement specifically sets out Event City Requirements and City's city council also formally approves the Event City Requirements in strict compliance with this Agreement, there shall be no Event City Requirements and City shall have no obligations related to the Event.

3.1.4 The Event Producer Requirements, SCVB Requirements and Event City Requirements (collectively the "Event Overall Requirements") shall be specified in detail in the Event Contract.

3.1.5 SCVB shall include in each Event Contract between SCVB and a Producer the following stand-alone paragraph [in the body of the Event Contract]:

City of Scottsdale. Notwithstanding anything in this Agreement to the contrary, City of Scottsdale is not a party to or bound by this Agreement, but SCVB and Producer acknowledge and agree to the City Support Provisions attached hereto as **Exhibit "_____"**.

3.1.6 SCVB shall attach as an exhibit to each Event Contract between SCVB and a Producer the City Support Provisions specified on **Exhibit "C"** attached hereto.

3.1.7 The Event Contract may contain such additional terms as SCVB and the Event Producer may desire relating to the Event, all of which must not be inconsistent with this Agreement, and in any event shall not bind City.

3.2 Committed Events. City and SCVB have agreed to provide support for the following Events (the "Committed Events"):

3.2.1 City and SCVB shall support the Fiesta Bowl as follows:

3.2.1.1 The Event Overall Requirements for the Fiesta Bowl are set out in **Exhibit "D"** attached hereto. SCVB shall perform the Event SCVB Requirements. SCVB shall cause the Event Producer to perform the Event Producer Requirements. City shall perform the Event City Requirements.

3.2.1.2 SCVB shall comply and cause Fiesta Bowl to comply with the Event Contract and other provisions of this Agreement relating to the Fiesta Bowl.

3.2.1.3 The Contract Budget already includes the amount of any Marketing Funds to be provided by City in the Event City Requirements for the Fiesta Bowl.

3.2.2 There are no other Committed Events.

3.3 Additional Events. If SCVB or City desires that City contribute financially or otherwise to SCVB's marketing or promotional support of any Event other than a Committed Event (an "Additional Event"), then the following shall apply:

3.3.1 SCVB shall submit to City a request (the "Additional Event Request") for the Additional Event. The Additional Event Request shall specify the proposed Additional Event Overall Requirements. Unless City's contract administrator consents to a different form that provides the same information, each Additional Event Request shall be in the form attached hereto as **Exhibit "E"**.

3.3.2 At City's request, SCVB shall make itself available to City to explore proposed changes to an Additional Event Request that might make the Additional Event Request acceptable to City. If City's proposed changes would require SCVB to satisfy Event SCVB requirements beyond those stated in the Additional Event Request submitted by SCVB, SCVB may withdraw the Additional Event Request. City and SCVB shall otherwise mutually agree to reevaluate the proposal.

3.3.3 City shall have no obligation to entertain or approve an Additional Event Request. Only City's city council by formal vote shall have authority to approve an Additional Event Request.

3.3.4 No Additional Event Request shall be effective as to City unless it is formally approved by City's city council. If City's city council approves an Additional Event Request, then the amount of Bed Tax Funds requested in the Additional Event Request shall be provided out of the City's portion allocated to tourism development, added to the Marketing Funds, and paid to SCVB in conformity with the Additional Event Request. The Event SCVB Requirements and Event City Requirements shall be added to the Contract Budget. If City's city council approves an Additional Event Request that varies from the Additional Event Request submitted by SCVB then City shall be deemed to have rejected the Additional Event Request unless SCVB within thirty (30) days thereafter gives notice to City that SCVB accepts the Additional Event Request as modified by City's city council.

3.3.5 If City approves an Additional Event Request, any Event Contract that SCVB enters into for the Additional Event shall specify the Event Overall Requirements and otherwise comply with the Event Contract provisions of this Agreement.

3.3.6 City and SCVB agree that SCVB shall provide marketing and promotional support to all approved Additional Events. City and SCVB shall mutually agree in advance of presenting an Additional Event to City's city council whether SCVB will participate further in an Additional Event.

3.4 Other Events. This Agreement does not in any way interfere with City's right to deal directly with any Event producer or other person or entity related to an Event. City is free to provide support for any Event and to enter into any contract with any Event producer, which support and contract shall be outside the purview of this Agreement.

IV. CITY FUNDING

4. City Funding. City's payment of the Marketing Funds shall be subject to the following:

4.1 Contract Budget. All Marketing Funds and other City support and all Marketing Activities and other SCVB expenditures and activities shall comply with a budget (the "Contract Budget") as follows:

4.1.1 The total amount of Marketing Funds that City shall provide under this Agreement (the "Contract Amount") for each year shall be equal to fifty percent (50%) of the Bed Tax Funds collected during the year, such amount to be adjusted and paid in monthly installments as set out below. City approves as the Contract Budget for year 2012/2013 the portions of the proposed budget attached hereto as **Exhibit "F"** that are shown in such exhibit as totaling the Contract Amount. The Contract Amount and Contract Budget shall also include an additional amount of non-marketing Bed Tax Funds, which SCVB shall use to perform the Event Overall Requirements for the Fiesta Bowl.

4.1.1.1 No later than May 15th of each year during the term of this Agreement, (including the last year) SCVB shall deliver to City a proposed Contract Budget of all funds to be received or expended by SCVB during the following year as follows:

4.1.1.2 SCVB's proposed contract budget shall list all funds that SCVB proposes to receive or expend under this Agreement. The total amount of Bed Tax Funds that SCVB proposes to receive during the following year (the "Proposed Amount") shall be clearly listed by itself on a single separate line of the proposed contract budget. SCVB's proposed contract budget shall also list all funds that SCVB otherwise proposes to receive or expend during the year. The proposed SCVB contract budget shall clearly indicate which funds SCVB anticipates receiving from City under this Agreement and which funds SCVB anticipates receiving from other sources.

4.1.1.3 If City's city council approves the proposed contract budget prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed contract budget shall be the Contract Budget under this Agreement during the subsequent year and the Proposed Amount in such budget shall be the Contract Amount for the following year. Otherwise this Agreement shall terminate at the end of the year in which SCVB delivers the proposed budget.

4.1.1.4 City and SCVB shall meet monthly to discuss actual Bed Tax Funds collections. City's contract administrator shall from time to time request City's Tourism Development Commission to discuss actual Bed Tax Funds collections. No later than April 10 each year, City shall provide to SCVB an estimate of the total amount of Bed Tax Funds that City anticipates City will collect during the following year. SCVB and City's Tourism Development Commission shall have an opportunity to provide input about City's estimate before City provides the estimate to SCVB under this Agreement. SCVB's proposed contract budget shall be based on City's estimate.

4.1.2 SCVB shall not request, accept or spend any Marketing Funds in amounts inconsistent with the Contract Budget or other requirements of this Agreement. SCVB

shall reimburse to City any Marketing Funds not spent for the purposes specified by the Contract Budget and this Agreement.

4.1.3 If the City Treasurer determines that the Estimated Receipts will significantly exceed or fall short of the actual Bed Tax funds City will receive, then the City contract administrator shall have authority to elect to approve a new Contract Budget provided by SCVB that conforms to the Estimated Receipts as determined by the City Treasurer.

4.2 Event Payment Timing. Subject to the limitations set out elsewhere in this Agreement, City shall pay the portions of the Marketing Amount that are for support of a particular Event in a year as follows:

4.2.1 No later than thirty (30) days and not earlier than sixty (60) days before City's payment of Marketing Funds is due for the Event, SCVB shall deliver to City an invoice for the amount.

4.2.2 City shall pay the entire amount in a single installment on the date specified in the Event City Requirements for the Event.

4.2.3 The total amount that City pays related to the Event shall not exceed the lesser of the amount specified by the Contract Budget, or any lesser amount specified in the Event Contract or this Agreement. If any of those provide different amounts, City will only pay the smallest amount.

4.3 Other Payment Timing. Subject to the limitations set out elsewhere in this Agreement, City shall pay the portions of the Marketing Amount that are not for support of a particular Event as follows:

4.3.1 No later than thirty (30) days and not earlier than sixty (60) days before City's payment of an installment of Marketing Funds is due, SCVB shall deliver to City an invoice for the amount.

4.3.2 No later than the last business day of each month, City shall pay to SCVB one-twelfth (1/12) of such amount for that year.

4.4 Actual Bed Tax Funds Collected. City's payments under this Agreement shall be adjusted based on actual Bed Tax Funds Collected as follows:

4.4.1 Each month the City Treasurer shall prepare an estimate of the amount of Bed Tax Funds that the City Treasurer estimates will be collected during the entire current year (the "Estimated Receipts"). Each monthly installment payable under this Agreement shall be comprised of two components; (a) one-half of one-twelfth of the latest Estimated Receipts, and (b) an increase or decrease that, when equally applied to all remaining payments, will cause total payments under this Agreement to equal one-half of the latest Estimated Receipts. Such changes in monthly installment amounts shall be accompanied by corresponding changes to the Contract Budget. SCVB shall propose the Contract Budget changes, which shall require approval by City contract administrator.

4.4.1.1 If a request is made by SCVB, the contract administrator may approve a carryover of Bed Tax funds to the next year (fiscal year) at any time during the current year.

4.4.2 After the close of the year, should the actual Bed Tax Funds the City received be less than the last Estimated Receipts (the "Actual Shortfall"), and if this Agreement is in effect during the following year, then City shall subtract one-half of such Actual Shortfall from the next one (or more, if necessary) monthly installments for the following year. After the close of the year, should the actual Bed Tax Funds that the City received be greater than the last Estimated Receipts ("Actual Excess"), and if this Agreement is in effect during the following year, then City shall add one-half of such Actual Excess to its first monthly payment for the following year.

4.5 Withholding of Payments. Except as provided in the next sentence, City may exercise any remedy at law or equity if SCVB does not cure any material breach of its obligations under this agreement within thirty (30) days after notice from City. City may withhold, in whole or in part, any payment to SCVB if SCVB fails to comply with any of the following, unless SCVB cures such breach within thirty (30) days after City gives notice of the breach:

4.5.1 Render services as required by this Agreement.

4.5.2 Supply information or reports as required by this Agreement.

4.5.3 Make timely payments to subcontractors, except when there is a bona fide dispute as to the existence or amount of the debt.

4.5.4 Comply with other provisions of this Agreement, including, without limitation, provisions relating to auditing or performance.

4.5.5 City Funds Upon "Termination." Within fifteen (15) days after any expiration or other termination of this Agreement in any manner, SCVB shall return to City all unexpended City funds. The amount to be returned to City shall be the prorated amount of the last disbursement to SCVB, pursuant to the Contract Budget then in effect, plus any other City funds unexpended as of the date of termination.

4.6 City Funding Limitations. Payment of the Marketing Funds is subject to the limits contained elsewhere in this Agreement and the following cumulative conditions and limitations:

4.6.1 Funding Total. The total amount of Marketing Funds City pays under this Agreement shall not exceed the Marketing Amount, minus setoffs and other amounts to which City may be entitled.

4.6.2 Funding Source. City's payments shall be made only from Bed Tax Funds. City is not obligated to provide funding from any other source. City's city council may elect from time to time in its sole and absolute discretion to provide funding from other sources as follows:

4.6.2.1 All provisions of this Agreement shall apply to such additional funds, including without limitations all references to Marketing Funds and all types of Marketing Activities, except that any such additional funds comprised of Bed Tax Funds shall not be counted when determining the amount of SCVB's fifty percent (50%) share of the Bed Tax Funds.

4.6.2.2 Sources of such other funds may include, at City's election, general funds, other Bed Tax Funds, tribal gaming funds or other funds available to City.

4.6.2.3 To the extent City receives tribal gaming funds that are eligible to be used for Marketing Activities, SCVB shall accept those funds when requested by City, and SCVB shall only use these funds in a manner that is consistent with the proposal approved by the tribe.

4.6.3 Bed Tax Collections. Marketing Funds shall be disbursed only to the extent City determines, in its sole and absolute discretion, that City has collected adequate Bed Tax Funds to disburse these amounts.

4.6.4 Appropriations and Approvals. This subparagraph shall control notwithstanding any provision of this Agreement or any exhibit or other agreement or document related hereto. City's provision of funds under this Agreement is in all respects subject to appropriation by City Council. City's entire obligation under this Agreement shall be limited to the amount appropriated. If funds necessary to fulfill City's obligations under this Agreement are not appropriated or are otherwise made not available by City's city council, then City may terminate this Agreement by notice to SCVB. Termination in accordance with this provision shall not constitute a breach of this Agreement by City. No person shall be entitled to any compensation, damages or other remedy from City if this Agreement is terminated pursuant to the terms of this paragraph or other terms of this Agreement. In lieu of terminating this Agreement, City may elect to reduce the amount of Marketing Funds and other resources City provides.

4.6.5 Political Activities. SCVB shall use no City funds or resources for political activities, for lobbying City's city council or any legislative or administrative body as defined in State law, or for the purpose of influencing the outcome of any election.

V. REPORTS AND AUDITS

5. Reports and Audits. SCVB shall report Marketing Activities and other expenditures and activities as follows:

5.1 Audit Report. Within ninety (90) days after the end of each year, SCVB shall prepare and submit to City at SCVB's expense an annual audit report of revenues and expenses related to this Agreement and an opinion thereon prepared by an independent certified public accounting firm. The audit report shall include an annual financial statement prepared in accordance with generally accepted accounting principles (GAAP) and the provisions of the Statement of Financial Accounting Standards No. 117 (Financial Statements of Not-for-Profit Organizations). SCVB shall make available to City all work papers and records produced by the auditor pertaining to the audit, or copies thereof, within ten (10) working days after notice by City to do so.

5.2 Inspection of Books. City or its agent may inspect SCVB's books that relate to this Agreement at such times during normal business hours that City deems appropriate, upon five (5) working days notice. Upon reasonable request, SCVB shall furnish copies of such books and records to City, at no cost to City.

5.3 Annual Performance Report. Within thirty (30) days after the close of each year, SCVB shall submit to City a report of SCVB's performance under this Agreement. The report shall include an analysis of the effectiveness of SCVB's performances under this Agreement, including without limitation documentation of year-end performance of the Performance Measures. SCVB shall also deliver to City copies of reports, promotional literature and communications, advertisements and related materials prepared with Marketing Funds. If requested by City's city manager, SCVB shall also present these annual reports to City Council at a public city council meeting.

5.4 Quarterly Performance Reports. In addition to the annual performance report, SCVB shall deliver to City within thirty (30) days after the end of each quarter (September, December, March and June) a report that shall include a brief narrative of progress to date and an outline of SCVB's anticipated performance for the ensuing months. Such reports shall be accompanied by a summary of expenditures during the same period.

5.5 Performance Audit. City may at any time conduct a performance audit to evaluate SCVB's performance under this Agreement. SCVB shall make available any information related to this Agreement requested by City for the audit within ten (10) working days of the request. The performance audit may consider all information that is relevant to areas of operations of SCVB and its responsibilities under this Agreement.

VI. INSURANCE AND INDEMNITY

6. Insurance and Indemnity. SCVB shall provide insurance and indemnification as follows:

6.1 Indemnification. To the fullest extent allowed by law, SCVB, its successors, assigns and guarantors, shall defend, indemnify and hold harmless City, its agents, representatives, officers, directors, officials, and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused by SCVB, its agents or contractors while performing work or services under this Agreement, including but not limited to, any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of SCVB's and subcontractor's employees. Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions.

6.2 Insurance. Without limiting any of its obligations or liabilities, SCVB, at SCVB's own expense, shall purchase and maintain the hereinafter stipulated minimum insurance:

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6.2.1 All insurance shall be from a company or companies lawfully authorized to do business in the State of Arizona with an A.M. Best, Inc. rating of B++6 or above with policies and forms satisfactory to City.

6.2.2 All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City, constitute a material breach of this Agreement.

6.2.3 SCVB's insurance shall be primary insurance, and any insurance or self insurance maintained by City shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect City.

6.2.4 The policies shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, representatives, directors, officers, and employees for any claims arising out of the work or services of SCVB under this Agreement.

6.2.5 The policies may provide coverage that contains deductible or self-insured retentions. SCVB shall be solely responsible for any deductible and/or self-insured retention.

6.2.6 The policies shall be in place by no later than ten (10) days after the date of this Agreement.

6.2.7 Within 10 working days after notice from City, SCVB shall provide to City certified copies of any or all of the required policies and/or endorsements. City shall not be obligated, however, to review same or to advise SCVB of any deficiencies in such policies and endorsements, and such receipt shall not relieve SCVB from, or be deemed a waiver of City's right to insist on, strict fulfillment of SCVB's obligations under this Agreement.

6.2.8 The insurance policies required by this Agreement, except workers' compensation and fidelity/crime insurance policies, shall name City, its agents, representatives, officers, directors, officials, and employees as additional insureds.

6.2.9 Required Coverage. SCVB shall cause to be in effect the following insurance:

6.2.9.1 General Liability. SCVB shall maintain "occurrence" form Commercial General Liability insurance with a limit of liability not less than \$1,000,000 for each occurrence with a \$2,000,000 Products and Completed Operations Limit and \$2,000,000 General Aggregate Limit. The policy shall be primary, and include coverage for bodily injury, broad form property damage, personal injury, products/completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement. Such policy shall contain a severability of interest provision. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.

6.2.9.2 Automobile Liability. SCVB shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damages of not less than \$1,000,000, each accident with respect to SCVB's owned, hired, and non-owned vehicles assigned to or used in performance of SCVB's work or services under this Agreement. If any Excess insurance is utilized to fulfill the requirements to this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.

6.2.9.3 Worker's Compensation. SCVB shall maintain Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of SCVB's employees engaged in the performance of the work or services under this Agreement, and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit. In case any work or services under this Agreement are subcontracted, SCVB shall require all subcontractors to provide the same insurance requirements as cited above for SCVB to protect City.

6.2.9.4 Fidelity Insurance. SCVB shall purchase and maintain fidelity and crime insurance coverage with a limit of \$250,000 per loss.

6.2.9.5 Other Insurance. SCVB shall maintain any other insurance coverage or amounts of insurance City may reasonably require from time to time for the protection of the public, City and its employees, officials, representatives, officers, directors, and agents. City may elect by written notice to SCVB to require additional coverage or increased amount of any insurance to account for changes in risks, inflation, or any other factor that City reasonably determines to affect the prudent amount of insurance to be provided by SCVB.

6.2.9.6 Certificates of Insurance. Prior to commencing work or services under this Agreement, SCVB shall furnish to City certificates of insurance or formal endorsements as required by the Agreement, issued by SCVB's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Agreement are in full force and effect. Such certificates shall identify this Agreement. In the event any insurance policy(ies) required by this Agreement is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the work or services and as evidenced by an annual Certificate of Insurance.

VII. MISCELLANEOUS PROVISIONS

7. Miscellaneous Provisions. The following additional provisions shall apply:

7.1. Year End Performances. If this Agreement terminates for any reason before SCVB has provided to City reports or other payments or performances related to time periods when this Agreement was in effect, SCVB shall deliver such reports and provide such payments and performances to city notwithstanding such termination.

7.2. Compliance with Law. SCVB shall comply with all applicable local, state and Federal ordinances, statutes, laws and regulations.

7.3. Compliance With E-Verify. The parties shall comply with immigration laws as follows:

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7.3.1 The Parties understand and acknowledge the applicability to them of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. Both parties agree to comply with these laws in performing this Agreement and to permit each other to verify compliance. SCVB will include the terms of this provision in all contracts and subcontracts for work performed under this Agreement, including supervision and oversight.

7.3.2 Under the provisions of A.R.S. §41-4401, each party warrants to the other that it will comply with all Federal Immigration laws and regulations that relate to its employees and that the party and all its subcontractors working under the terms of the Agreement now comply with the E-Verify Program under A.R.S. §23-214(A).

7.3.3 A breach of this warranty will be considered a material breach of this Agreement and may subject the parties to penalties up to and including termination of this Agreement or any subcontract.

7.3.4 Both parties retain the legal right to inspect the papers of any employee of either party or any subcontractor who works on this Agreement to ensure that they are complying with the warranty given above.

7.3.5 Each party may conduct random verification of the employment records of the other and any of its subcontractors working under this Agreement to ensure compliance with this warranty. Each party agrees to indemnify, defend and hold harmless the other party for, from and against all losses and liabilities arising from any and all violations of these statutes.

7.3.6 Neither party will consider the other or any of its subcontractors in material breach of this Agreement if they establish that they have complied with the employment verification provisions prescribed by 8 USCA §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

7.3.7 The provisions of this paragraph must be included in any contract either party enters into with any and all of its subcontractor who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a political subdivision, company or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property. Both Parties will take appropriate steps to assure that all applicable subcontractors comply with the requirements of the E-Verify Program. The failure to assure compliance by all its subcontractors with the E-Verify Program may be considered a material breach of this Agreement.

7.4. Sudan and Iran. In accordance with A.R.S. §35-391.06 and 35-393.06, SCVB certifies that it does not have scrutinized business operations in Sudan or Iran, as defined in A.R.S. §35-391(15) and 35-393(12).

7.5. Non-liability of City Officials and Employees. No member, official or employee of City shall be personally liable to SCVB, or any successor in interest, in the event of any default or breach by City or for any amount that may become due to SCVB or its successor on any obligation related to this Agreement.

7.6. Conflict of Interest. City may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity, or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from City is received by all other Parties to the contract, unless the notice specifies a later time (A.R.S. 38-511).

7.7. Procurement. SCVB shall be responsible for the purchasing process used in conjunction with its responsibilities under this Agreement. The qualification and selection of professional service providers or vendors paid under terms of this Agreement by SCVB shall be performed on a competitive basis that is acceptable to City's contract administrator.

7.8. Notices. Any notice herein required or permitted must be in writing and either hand-delivered in person or deposited in the United States mail, postage pre-paid, registered or certified mail, return receipt requested, and properly addressed, at the following addresses:

City of Scottsdale
Tourism Development Coordinator
Economic Vitality Department
4021 N. 75th Street, Suite 102
Scottsdale, AZ 85251

Scottsdale Convention & Visitors Bureau
President & CEO
4343 N. Scottsdale Road, Suite 170
Scottsdale, AZ 85251

Notice shall be deemed to be given on the date of hand delivery or three (3) days after the same has been deposited postage-paid in the United States Post Office. Either party may furnish to the other a different mailing address and designate another individual upon whom all notices may be served as herein provided.

7.9. Entire Agreement. This Agreement constitutes the entire agreement between City and SCVB with respect to the subject matter and no addition, deletion or other amendment hereto may be made except as is agreed in writing by City and SCVB with the same formality for execution as accorded this Agreement.

7.10. Assignment. In making this Agreement, City and SCVB each depend upon the particular capacities, expertise, powers, and good offices of the other, which would not be satisfactorily provided by a third party. Therefore, City and SCVB agree that no right or obligation hereunder may in any way whatsoever be assigned or delegated to a third party without the prior express written consent of the other party.

7.11. Binding Effect. This Agreement and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of City and SCVB hereto and their respective successors and assigns.

7.12. Legal Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement, or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorney's fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

7.13. Contract Administrator. City's contract administrator shall be City's Tourism Development Coordinator, or designee. By notice to SCVB, City's city manager may designate a different contract administrator from time to time at City's city manager's sole discretion.

7.14. Dates. Sunday, Saturday and Arizona legal holidays are holidays for purposes of this Agreement.

7.15. Time of Essence. Time is of the essence of each and every provision of this Agreement.

7.16. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Agreement.

7.17. No Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement or shall have any right or cause of action hereunder. Licensor shall have no liability to third parties for any approval of plans or activities, SCVB's negligence, SCVB's failure to comply with the provisions of this Agreement (including any absence or inadequacy of insurance required to be carried by SCVB), or otherwise as a result of the existence of this Agreement.

7.18. Exhibits. All exhibits specifically stated to be attached hereto as specified herein are hereby incorporated into and made an integral part of this Agreement for all purposes.

7.19. No Partnership. This Agreement and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties. SCVB is a non-profit corporation and is neither a department, nor an operating agency of City.

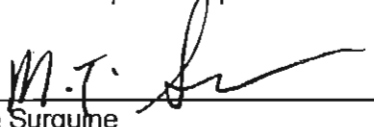
7.20. Choice of Law. This Agreement shall be governed by the internal laws of the State of Arizona without regard to choice of law rules. City has not waived its claims procedures as respects this Agreement. Exclusive proper venue for any action regarding this Agreement shall be Maricopa County.

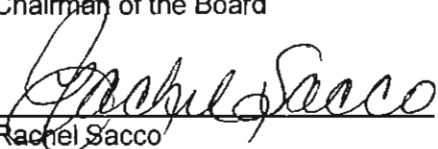
7.21. Recording. This Agreement shall not be recorded.

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IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first given above.

Scottsdale Convention and Visitors Bureau,
Inc., an Arizona non-profit corporation

By: 
Mike Surgume
Its: Chairman of the Board

By: 
Rachel Sacco
Its: President & CEO

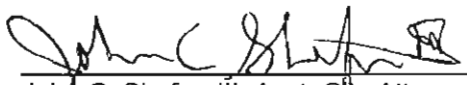
CITY OF SCOTTSDALE,
an Arizona municipal corporation

By: _____
W. J. "Jim" Lane, Mayor

ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM BY
CITY ATTORNEY'S OFFICE:


John C. Shafer, III, Asst. City Attorney

CITY CONTRACT ADMINISTRATOR:


Steve Geiogamah, Tourism Development Coordinator


Suzanne Welch, Risk Management Director

TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Paragraph</u>	<u>Description</u>
A	2.1.1.1	Final 2012/2013 Marketing Guide
B	2.1.2.1	Final 2012/2013 Performance Standards
C	3.1.6	City Support Provisions
D	3.2.1.1	Fiesta Bowl Event Overall Requirements
E	3.3.1	Additional Event Request form
F	4.1.1	Final 2012/2013 Contract Budget

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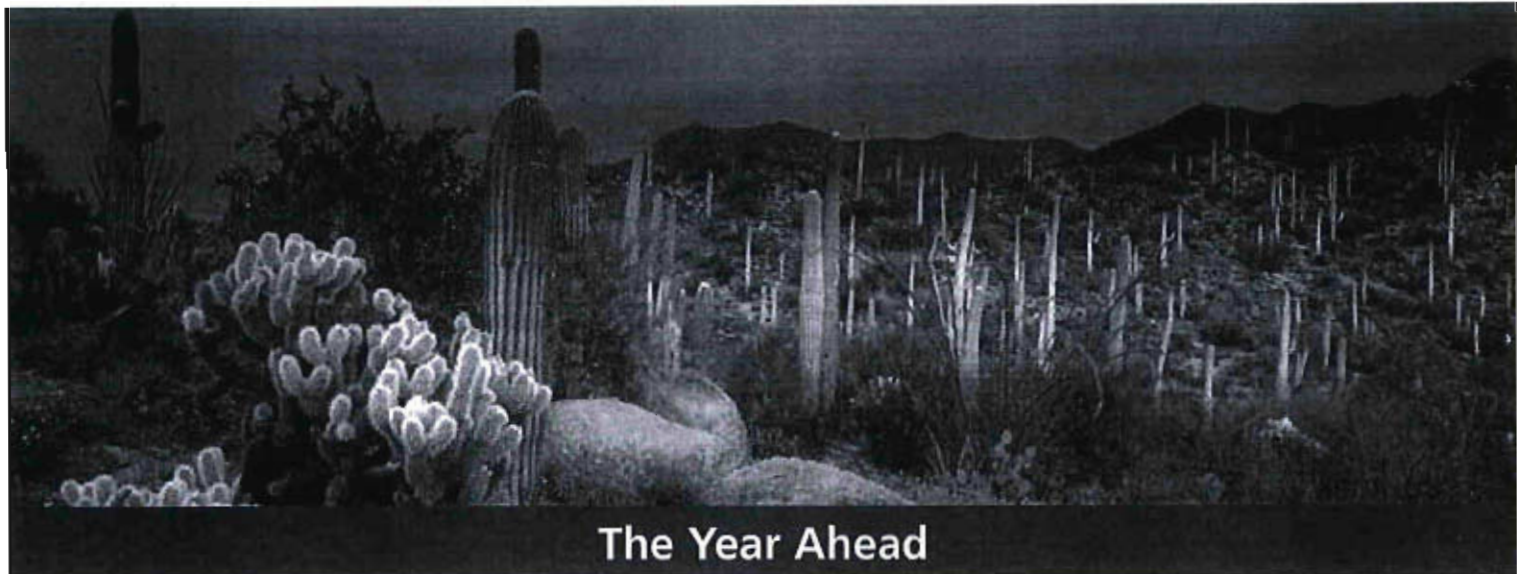
Contract No. 2012-053-COS



Scottsdale

2012-2013 Destination Marketing Guide

www.ScottsdaleCVB.com/CVBplan
www.ScottsdaleCVB.com/SalesSchedule



The Year Ahead

Dear Stakeholder:

Last year, Scottsdale's tourism industry generated more than \$13 million in bed-tax revenue. As we invest in our tourism industry, we see increases in small business growth as well as bed- and sales-tax revenue from leisure visitors and meetings groups. These dollars not only are supporting the Scottsdale Convention & Visitors Bureau's destination marketing efforts, but also are helping to fund special events and tourism-related capital projects.

Each year, the Scottsdale CVB works to maintain the programs that provide a consistent return on investment while implementing new programs that will allow us to remain a competitive, world-class destination. In the coming year, you'll see a continual focus on the Sonoran Desert as a main differentiator for Scottsdale, as well as layering among our departments to leverage our messaging in key markets. We also will focus on a few key areas to drive new visitation and meetings groups to Scottsdale. These include:

- **Attracting the Right Customers:** We'll develop a new marketing campaign to tout Scottsdale as "The World's Finest Golf Destination" to avid golfers who are most likely to visit Scottsdale's luxury resorts and championship golf courses.
- **In All the Right Places:** We're reaching further into two of our top markets – New York and Canada – to connect with leisure visitors, meeting planners, travel agents and media. Great growth potential exists in both markets.
- **With the Right Messages & Mediums:** We'll adjust our messages to ensure visitors understand everything our destination has to offer. Plus, we'll make our content more accessible and easier to navigate online.
- **At the Right Times:** While marketing year-round is important to our success, we'll work to fill some critical-need periods for the destination. We'll coordinate campaigns to increase leisure visitation during the holidays and meetings business outside of high season.

As we've seen during the past few years, positive changes come from working together. Therefore, we urge you to connect with the CVB staff in order to find the programs that best work for you and to maximize your membership with us to ultimately increase your business.

Please feel free to contact us to share new ideas on how we can work together to most effectively market the Scottsdale area as a premier leisure and meetings destination.

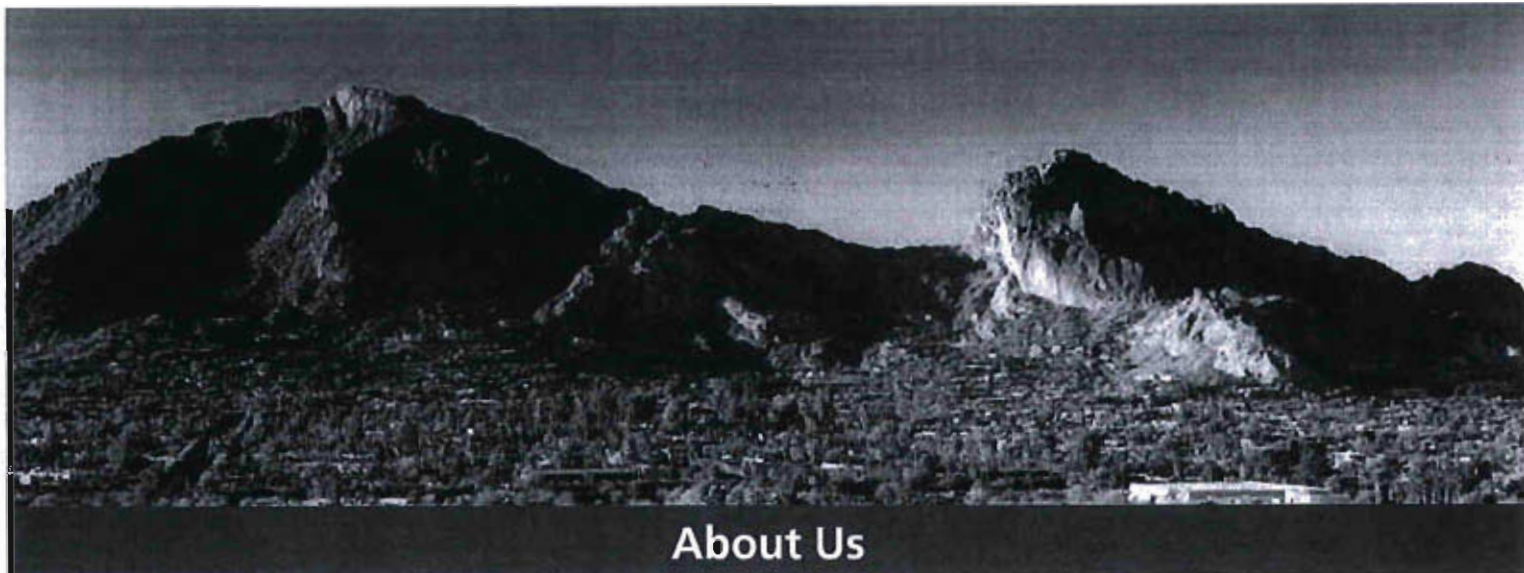
Sincerely,



Rachel Sacco
President & CEO



Michael Surguine
Board Chairman



About Us

Scottsdale CVB Overview

The Scottsdale Convention & Visitors Bureau is a 501(c)(6) nonprofit, private company that has contracts with the City of Scottsdale and Town of Paradise Valley to conduct destination marketing efforts on behalf of these municipalities. Combined, these entities provided approximately \$8.8 million of the CVB's \$11 million budget in 2011-12.

The CVB's primary source of revenue comes from bed tax collected by Scottsdale resorts and hotels and passed along to the City. Half of bed-tax collections come to the CVB for destination marketing, while the other half is invested by the City. The City's Tourism Development Commission (TDC) recommends to the Scottsdale City Council how to allocate the City's half of the bed-tax revenue, which is designated for tourism-related capital projects, special events and more. The City's relationship with the CVB is overseen by the City's Business & Economic Vitality Department and the TDC.

The CVB also has served as the Town of Paradise Valley's destination marketing organization since 1987 and currently has an agreement with the Town through June 2015.

Another CVB public-revenue source includes the State of Arizona, via Proposition 302, where Maricopa County hotel operators and rental car companies collect and pass along an additional tax to the state that is then split and invested in numerous projects.

Additionally, the Salt River Pima-Maricopa Indian Community, which borders Scottsdale on the east, and the Fort McDowell Yavapai Nation, located approximately 25 miles northeast of downtown Scottsdale, invest in the CVB's marketing efforts. Partnering with neighboring communities is critical for Scottsdale as they build tourism attractions and hotels along Scottsdale's borders. As partners, we can build the region's attractiveness in the eyes of our visitors.

The CVB has been a standalone company since July 2001 after having been an arm of the Scottsdale Area Chamber of Commerce for 15 years. The CVB has approximately 40 full- and part-time employees, along with a volunteer board of directors comprised of local industry leaders who represent a variety of segments from the hospitality and tourism industry.

Vision

Our vision is to position Scottsdale as a world-class vacation, meetings and group travel destination by communicating an image that sells the uniqueness of the Scottsdale experience.

Mission

The CVB is committed to enhancing the economic base of Scottsdale and its partnering communities through a strong visitor, meetings and group travel industry. We achieve this by:

- Maintaining a leadership position in Arizona's hospitality and tourism industry
- Positioning Scottsdale in top-performing domestic and international markets to attract targeted, high-value visitors to our resorts and hotels
- Teaming with member businesses to create awareness and excitement among meeting planners, tour operators, travel agents and media in our established feeder markets, while building credibility and interest in our entry markets

Return on Investment

In 2010-11, the Scottsdale CVB generated \$31 for the community for every \$1 invested in the CVB. In addition to tracking our return on investment, the CVB also evaluates the success of its programs and reports results regularly to our board of directors, the City of Scottsdale, TDC, the CVB's community partners, and our members.

Full- & Part-Time Staff

Executive Office

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President & CEO
(480) 949-2160
rsacco@scottsdalecvb.com

Rita Pavoni
Executive Assistant
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Michele Grace
Event, Fulfillment & Visitor
Services Coordinator
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Nancy Fortenberry
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Rachel Pearson, ABC
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Megan Neighbor
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Melanie Bleile
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kblubaum@scottsdalecvb.com

Courtney Berryman, CMP
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Stuart Evans
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Mountain Resort and Spa*

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Fairmont Scottsdale Princess

Don Carson
Don & Charlie's Restaurant

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*Tourism Development Commission
Chair / The Boulders Resort*

John Holdsworth
TLX Inc.

*Mike King
Gammage & Burnham

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*Hyatt Regency Scottsdale Resort
& Spa at Gainey Ranch*

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Dan Schweiker
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Resort*

Kathleen Glenn, Vice Chair
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Ace Bailey
Ultimate Art & Cultural Tours

Tom Enders
Troon Golf

David Richard
The Phoenixian

David Scholefield
Fairmont Scottsdale Princess

Michael Surguine
*Sanctuary on Camelback Mountain
Resort and Spa*

Steve Geiogamah
City of Scottsdale (staff liaison)

City of Scottsdale

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Councilwoman Lisa Borowsky
Councilwoman Suzanne Klapp
Councilman Robert Littlefield
Councilman Ron McCullagh
Councilwoman Linda Milhaven
Councilman Dennis Robbins
City Manager David Richert

Town of Paradise Valley

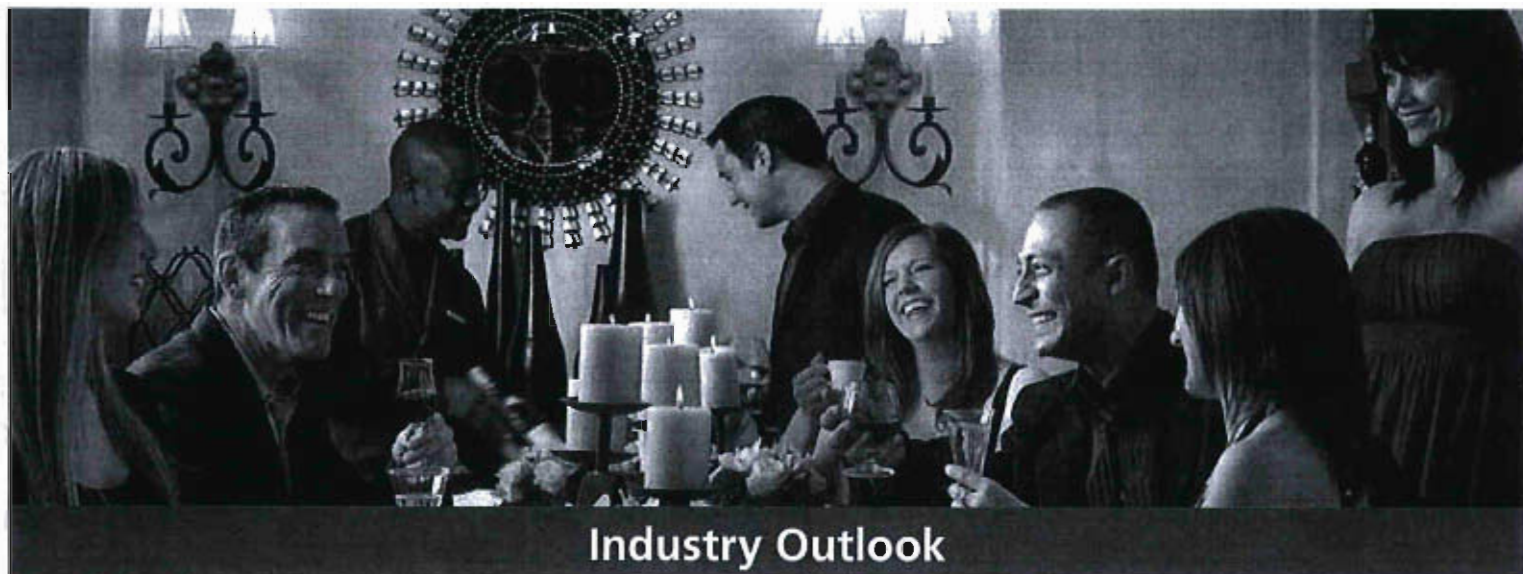
Mayor Scott LeMarr
Councilman Michael Collins
Councilman Paul Dembow
Councilwoman Pam Kirby
Councilman Vernon Parker
Councilman Dan Schweiker
Councilwoman Lisa Trueblood
Town Manager Jim Bacon

Fort McDowell Yavapai Nation

President Dr. Clinton Pattea
Vice President Bernadine Burnette
Councilman Paul Russell
Councilwoman Pansy Thomas
Secretary Selena Castaneda
Treasurer Pam Mott
General Manager Philip Dorchester

Salt River Pima-Maricopa Indian Community

President Diane Enos
Vice President Martin Harvier
Councilman Anthony Collins
Councilman Thomas Largo
Councilman Ricardo Leonard
Councilwoman Lorna Ray
Councilman Leonard Rivers
Councilwoman Willardine Sampson
Councilwoman Deanna Scabby



Industry Outlook

A Look Back

While 2011 was better than 2010, Scottsdale's tourism recovery is proceeding more slowly than in many other destinations. Scottsdale and the rest of metro Phoenix are positioned to continue their slow tourism growth in 2012-13.

Out of the top 25 U.S. markets in 2011, metro Phoenix finished 23rd in occupancy, 14th in average daily rate (ADR) and 17th in revenue per available room (RevPAR). Scottsdale/Paradise Valley's figures, when compared to the top 25 U.S. markets, would have placed it 18th in occupancy, 6th in ADR and 7th in RevPAR.

SCOTTSDALE VS. PHOENIX METRO AND U.S. TOURISM INDUSTRY

2011	Occupancy	Room Rate	RevPAR
Scottsdale/Paradise Valley	61.0%	\$145.98	\$89.12
Metro Phoenix*	58.3%	\$103.96	\$60.58
United States	60.1%	\$101.64	\$61.06

Source: Smith Travel Research (STR)

*Includes Scottsdale/Paradise Valley results

Scottsdale Advantage: Scottsdale-area hotels and resorts continue to outperform other area properties as well as the average U.S. hotel.

During the past few years, we have encountered several challenges, including recession-related downturns in hotel performance; companies reducing or eliminating their meetings activity, particularly in warm-weather cities, due to the AIG effect; and backlash from groups and leisure travelers over Arizona's immigration law, Senate Bill 1070. While the impact from the AIG effect has diminished, it is still a factor for some companies and meetings sectors. The initial uproar from SB1070 also has quieted because the law is tied up in the courts and is not being enforced; however, the U.S. Supreme Court has opted to consider this case.

Despite these challenges, Scottsdale's occupancy increased in 2010 and again in 2011. The recovery of room rates trailed the gains in occupancy, but those rates began to grow in the latter half of 2011 with the trend continuing into 2012.

SCOTTSDALE TOURISM INDUSTRY MEASUREMENTS

	Occupancy	Room Rate	RevPAR
2011	61.0%	\$145.98	\$89.12
2010	60.2%	\$136.97	\$82.50
2009	56.0%	\$139.28	\$78.03
2008	61.0%	\$172.26	\$105.05
2007	66.6%	\$170.59	\$113.58
2006	69.9%	\$164.19	\$114.72

Source: STR

Tourism Growth: Scottsdale's tourism industry has seen slow tourism growth during the past two years.

Sixty percent of all resort and full-service hotel business in Scottsdale and Paradise Valley results from meetings-related travel. As the economy began to recover in late 2010, companies began slowly to increase their meetings activity, but negotiated low rates and numerous concessions from hotels and resorts. This kept Scottsdale room rates low and diminished non-room revenue for properties in the short term.

2012-13 An Optimistic Outlook

While Scottsdale is likely a few years away from approaching both the 70 percent hotel occupancy recorded in 2005 and 2006, and the \$172 average daily rate that was posted in 2008, strong leisure business combined with gradual meetings growth should allow Scottsdale to post a modest revenue gain in 2012-13. There also are numerous opportunities for Scottsdale to increase tourism to the area and enhance the destination's amenities and attributes over the next few years.

- **Destination Marketing:** In 2010, Scottsdale voters approved Proposition 200, a bed-tax increase from 3 percent to 5 percent with half of the total collections allocated annually to the Scottsdale CVB for destination marketing. These dollars, combined with the CVB's other public- and private-funding sources, increased the CVB's 2011-12 annual budget to nearly \$11 million, which should be replicated again in 2012-13. The additional revenue allowed the CVB to augment its marketing, sales and communications programs, which greatly increased Scottsdale's exposure in key domestic and international feeder markets. Maintaining this revenue allows for program continuity.
- **Tourism-Related Capital Projects:** Per Prop 200, the other half of Scottsdale's bed-tax collections is allocated by the Scottsdale City Council primarily to attracting and retaining special events, and building new tourism-related capital projects. Thus far, the Council has committed bed-tax dollars to help build the Tony Nelssen Equestrian Center. This \$42.8 million project, slated for completion in 2014, will enclose, expand and provide climate control for the existing equidome at WestWorld of Scottsdale. In addition, a 120,000-square-foot exhibition hall will serve the Barrett-Jackson Collector Car Auction, while having the flexibility to be used year-round for other events. Other projects that may be considered include the Desert Discovery Center and Scottsdale Museum of the West.
- **Special Events:** The City also has the opportunity to attract new events and retain and grow existing Scottsdale events using funds available from the city's half of bed-tax collections. Scottsdale currently features an incredible array of peak-season events that attract visitors from throughout the world. The CVB also partners with existing events to help them thrive in the community.

TOSTITOS FIESTA BOWL

	2012	2011	% Change
Occupancy	63%	52%	.21%
Room Rate	\$161	\$144	.12%
RevPAR	\$101	\$75	.35%

Source: STR

Scottsdale Touchdown: The January 2012 game marked year six of the CVB's 20-year agreement with the Fiesta Bowl that keeps the teams, alumni, marching bands and media in Scottsdale and Paradise Valley resorts.

BARRETT-JACKSON & SCOTTSDALE AUCTION WEEK

	2012	2011	% Change
Occupancy	81%	80%	1%
Room Rate	\$181	\$168	.8%
RevPAR	\$147	\$135	.9%

Source: STR

Fueling the Economy: Scottsdale/Paradise Valley continues to benefit from Barrett-Jackson, Russo & Steele and other world-class auto auctions held annually in Scottsdale. Occupancy reached 94.8% Thursday night, Jan. 19, 2012, which was during the middle of the auctions.

SPRING TRAINING

	2012	2011	% Change
Occupancy	88.0%	86.1%	2.2%
Room Rate	\$205.11	\$190.75	7.5%
RevPAR	\$180.49	\$164.26	9.9%

Source: STR

Scottsdale's Homerun: Spring Training in March continues to benefit the Scottsdale area, including generating approximately 16 percent of annual bed-tax collections during the month.

Tourism Trends

The following local and national trends could impact travel in the coming year:

- **Phoenix Sky Harbor:** Passenger numbers at Phoenix Sky Harbor International Airport grew to 40.6 million passengers in 2011, a 5.3 percent increase over 2010. If talks continue and US Airways merges with another airline, the company would most likely discontinue hub operations in Phoenix. This would affect fares, the number of nonstop flights to Phoenix, and the quantity of cities served.
- **Gas Prices:** Increasing gas prices are causing fear among consumers and many cities that rely on summer family drive travel. High summer gas prices could cause metro Phoenix residents to consider more summer staycations.
- **U.S. Hotel Rooms:** U.S. hoteliers added 38,409 rooms to inventory in 2011. Due to a lack of available funding, this was half of what was expected. In 2012, 649 properties are expected to debut encompassing 70,291 rooms.
- **Lodging Forecasts:** PricewaterhouseCoopers' 2012 lodging forecast predicted a U.S. RevPAR gain of 6.5 percent, led by increases in hotel room rates. STR's more modest projections for 2012 include 4.3 percent RevPAR growth, along with predictions of 4.9 percent RevPAR growth in 2013.

- **Spa Industry:** The spa industry, which took an even greater hit than did hotels during the recession, is predicted in 2012 to continue improvements shown in 2011. Spa revenues are expected to remain well below their peak in 2007.
- **Cruise Industry:** Following the sinking of the Costa Concordia cruise ship in January 2012, a survey of 1,500 travel agents found that 20 percent saw cruise cancellations and customer concerns. This could lead some clients to forego cruises in favor of high-end leisure destinations in 2012.
- **U.S. Tourism Strategy:** President Obama outlined a new strategy to promote international tourism to the United States. The strategy focuses on growing visa processing capacity in China and Brazil by 40 percent in 2012 to increase the flow of visitors from these nations, while promoting top U.S. attractions to these customers.

Sources: STR, PricewaterhouseCoopers, PKF Consulting, TravelPulse.com, USTravel.org

TOURISM'S IMPORTANCE TO SCOTTSDALE

- Tourism is one of Scottsdale's largest industries.
- Scottsdale hosted 8.6 million visitors in 2010.
- These visitors generated an economic impact of \$2.9 billion, as well as \$35.4 million in sales- and bed-tax revenue for Scottsdale.
- One in every eight jobs in Scottsdale is directly related to tourism.

Sources: Scottsdale/Paradise Valley Tourism Study, Visitor Statistics, March 2012; City of Scottsdale

Revenue Generator: Tourism is a vital part of our local economy, generating jobs and one-fourth of all privilege-tax revenue collected by the City.

2012-13 Scottsdale CVB Strategic Initiatives

Each year, the Scottsdale CVB works to maintain the programs that provide a consistent return on investment while implementing new programs that will allow us to remain a competitive, world-class destination. Following are several areas that the CVB will focus on for the coming year to drive new visitation and meetings groups to Scottsdale.

- **Avid Golfers:** In partnership with Communication Links, the CVB will create a new marketing campaign to convey Scottsdale as "The World's Finest Golf Destination" to avid golfers. Efforts will include partnering with PGA Tour Pro Brandel Chamblee to serve as the face of Scottsdale golf; developing a new golf website, as well as print and broadcast ads; and sponsoring golf events. Public relations efforts targeting golf media also will be incorporated, including continued support of the Scottsdale Open sponsored by Waste Management and Waste Management Phoenix Open by hosting top media.

- **New York:** New York is the largest media market in North America and is home to some of the most important newspapers, magazines and television studios in the world. New York also is the largest revenue-producing market for domestic visitors to Scottsdale. To further penetrate the market, the CVB will increase spending on advertising in New York. We also will contract with a New York-based public relations agency to augment our efforts. The agency will help us increase exposure in the marketplace and build new relationships with key media.
- **Canada:** Canada is one of Scottsdale's most important international markets for leisure visitors and meetings business. To augment our current group sales efforts in Canada, the CVB is contracting with Connect-Worldwide Canada, a Toronto-based meetings and marketing agency. The agency, which also works with the CVB's public relations team, will assist us in generating incremental leads from Canadian corporations and associations not currently in our database, as well as developing programs to reach targeted vertical and geographic markets throughout the country. The CVB also will add a new Canadian sales activity to generate incremental leads from travel agents and tour operators to increase Scottsdale product in travel catalogues. Additionally, the CVB will increase spending on marketing efforts in Canada – especially in Toronto, Vancouver, Calgary and Edmonton.
- **Target Markets:** The CVB's marketing plan is developed with the goal of reaching affluent travelers in key feeder markets across the United States and Canada. While our target markets – New York, Chicago, San Francisco, Los Angeles and Canada – remain the same, the CVB's ads will incorporate driver-specific messaging to illustrate the experiences available to visitors. We also will introduce new online cooperative opportunities to promote Scottsdale to secondary markets such as Denver and Minneapolis.
- **Website Redesign:** The new website redesign will include a refreshed look and feel, a simplified navigation experience and more succinct content presentation. Plus, it will adapt to the way audiences interact with content online to create a more compelling user experience. In addition, the CVB will add two additional views – map view and slideshow view – derived from mobile phone and tablet experiences. No matter which view is selected, users will have access to the same content. The changes also will make the site more accessible across multiple screen sizes and devices.

- **Need Periods:** The CVB will implement a campaign to elevate awareness of Scottsdale as a premier travel destination to capture more market share during the holiday need period (mid-November through mid-January) and better compete against other warm-weather markets such as Hawaii, Mexico and the Caribbean. We will develop a predictive model of individuals who travel during the holidays and will incorporate destination messaging and property offers into an integrated direct mail, email and online campaign. In addition, the CVB is working with Knowland Group, a reader-board and lead-generation service, in an effort to fill additional room nights from April through December. This sales tool will help us strategically target groups that are meeting in competitive destinations during our need periods in order to introduce them to Scottsdale as a meetings option.
- **Fly-In Program:** The CVB encourages planners to experience the city firsthand to see why Scottsdale is one of the top U.S. meetings destinations. Customized site visits, along with group familiarization tours, are an important tool in showcasing the destination to planners. To encourage visits, the CVB will continue its fly-in program that covers the cost of airfare for select planners. In addition, the CVB will host a multitude of FAMs including its two larger spring and fall FAMs, as well as smaller tours surrounding the Fiesta Bowl and Spring Training, and tours for niche groups including local planners, Canadian planners and third-party planners.

- **Airport Partnership:** The CVB works with private and community partners whenever possible to leverage resources and extend the reach of Scottsdale's messaging. The CVB and Scottsdale Airport have increased their collaboration significantly during the past year to enhance the marketing of Scottsdale Airport to private aircraft owners, schedulers/dispatchers and pilots. The profile of leisure and business travelers who utilize private aircraft matches the affluent demographic make-up of Scottsdale visitors. The CVB will partner with Scottsdale Airport to exhibit at two aviation industry trade shows to meet directly with those responsible for scheduling and dispatching aircraft for various-sized flight departments around the world. At these shows, the CVB and airport delegation are able to share the benefits of using Scottsdale Airport.

Our Partnership with You

We at the Scottsdale CVB are honored to partner with our valued members, along with the municipalities and Native American communities for which we provide destination marketing services. We exist to position Scottsdale as one of the world's most desirable destinations for leisure and business travel, while creating programs that retain existing visitors and attract new customers to the greater Scottsdale area.

We invite you to review this destination marketing guide to learn how you can best partner with us at the Scottsdale CVB to extend our collective message and drive incremental tourism business to our community. We look forward to working with you in the coming year!



Overview

The Scottsdale Convention & Visitors Bureau's marketing department brands Scottsdale as an upscale leisure and meetings destination through the use of advertising, high-end collateral and publications, online and email outreach, event marketing and sponsorships. The department manages advertising, fulfillment, online, creative services and visitor services.

Target Audiences

The CVB strategically targets the consumer, meetings, and tour and travel markets based on comprehensive research.

GEOGRAPHIC TARGET MARKETS

Primary: Canada (Calgary, Edmonton, Toronto, Vancouver), Chicago, Los Angeles, New York, San Francisco

Secondary: Denver, Minneapolis, Phoenix

Target Markets: Based on our research, the CVB's marketing programs will be targeted to the highest-performing and highest-potential feeder markets.

SCOTTSDALE LEISURE TRAVELER - AVERAGE VISITOR

Median age	55 years old
Median household income	\$106,900
Average length of stay	6.3 nights
Average daily expenditures (hotel guests)	\$355
Percentage of overnight stays in a hotel/resort	57%

Top activities (rank order): Dining, Shopping, Day Trips, Western Culture & Attractions, Native American Arts & Culture, Museum, Art Galleries, Outdoor Desert Activities, Nightlife, Overnight Trips, Golf

Source: City of Scottsdale Visitor Inquiry Study, September 2011

Our Visitor: The profile above reflects our average leisure visitor who requests information from the Scottsdale CVB.

SCOTTSDALE LEISURE TRAVELER - LUXURY VISITOR

Median age	46 years old
Median household income	\$144,000
Average length of stay	2.8 nights
Average daily room expenditures	\$254
Average daily on-property expenditures (including room)	\$408
Visited the city more than once in a year	30%

Source: Scottsdale Convention & Visitors Bureau's Visitor Industry Customer Analysis 2011

High-Value Visitor: The CVB's marketing campaigns target affluent travelers who spend more in Scottsdale.

Brand Position

The CVB positions Scottsdale as an upscale resort destination offering outstanding weather, spas, golf, arts, outdoor adventure, shopping, dining and nightlife. The CVB's brand campaign showcases the unique and surreal quality of the Sonoran Desert by incorporating vibrant imagery, rich textures and abstract scenes that capture the unique spirit of Scottsdale's target audience.

Programs

Many marketing programs are open for CVB member participation. For specific opportunities, refer to the online [Media & Sales Schedule](#).

Media Plan

Each year, the CVB creates a media plan based on extensive research and strategic planning to align Scottsdale's luxury message with the appropriate mediums to target our niche audiences. To extend the reach of Scottsdale's messages, the CVB offers cooperative opportunities for members, who benefit by receiving discounted rates.

Consumer Promotions

Promotions add value to advertising campaigns, highlight events, and create relationships with potential visitors. Promotions often include a giveaway, an "enter-to-win" web page, and print ads with email, direct mail or social media.

Relationship Marketing

We maintain permission-based databases for leisure travelers, meeting planners and travel professionals. These databases are used for direct mail and email to keep Scottsdale top of mind with people who have already visited, expressed an interest in visiting, or fit the profile of our target audience.

Publications & Promotional Materials

The CVB produces a variety of publications including the *Experience Scottsdale* visitor guide, the primary fulfillment piece for leisure travelers. To assist meeting planners, travel agents and tour operators, the CVB produces the *Scottsdale Meeting & Travel Planners Guide* and offers high-quality promotional materials that can be used to sell Scottsdale, including brochures, maps, posters, photos and videos.

Online Marketing & Social Media

ExperienceScottsdale.com and ScottsdaleCVB.com are the CVB's primary website addresses. As part of our online marketing strategy, we place ads on high-traffic, travel-oriented and consumer-interest websites. We also maintain a blog at [blog.scottsdalecvb.com](#) as well as a presence on social media sites such as Facebook, Twitter and YouTube to further promote Scottsdale. In addition, the CVB uses videos, a mobile website, live chat, interactive guides and downloadable coupons to provide greater access to information online.

Event Marketing

The CVB partners with the City to support special events by incorporating them into our advertising, visitor guides, website, emails and social media outlets to help drive incremental visitation to Scottsdale during their event. The CVB also provides visitor services at several events.

Visitor Services

The CVB operates a full-service visitor center at the Galleria Corporate Centre and provides the services of a concierge at Scottsdale Fashion Square. These locations provide visitors with destination information and personal help from visitor center concierges. In addition, the Galleria location displays CVB member brochures. The CVB regularly visits concierges at area hotels to provide CVB publications and update them on Scottsdale amenities. Members can request visitor guides from the CVB to distribute to guests.



Communications

Overview

The Scottsdale Convention & Visitors Bureau's communications department, which encompasses public relations and corporate communications, garners positive publicity for Scottsdale as a premier travel and meetings destination and works to build awareness for the value of Scottsdale's tourism industry.

Through the voices of credible journalists, the CVB is able to increase awareness for Scottsdale, position it as a world-class destination, and ultimately increase demand. In markets where advertising dollars are scarce or nonexistent, communications programs are the most important tactic used to generate awareness for Scottsdale.

Target Audiences

Targeted, positive media exposure in print, broadcast and online mediums frequently generates interest in Scottsdale.

GEOGRAPHIC TARGET MARKETS

Domestic: Chicago, Denver, Los Angeles, New York, Phoenix, San Francisco

International: Canada, France, Germany, Mexico, United Kingdom

Target Markets: The CVB's communications programs will be focused in the aforementioned markets, which are key to reaching potential visitors and important media outlets.

Programs

Some communications programs are open for CVB member participation. For specific opportunities, refer to the online [Media & Sales Schedule](#).

Media Missions & Trade Shows

The CVB targets members of the press in key cities with one-on-one editorial meetings, receptions and other special events. These missions allow the CVB to target key journalists with strategic messages and build relationships. When possible, the CVB also attends travel trade shows to establish and further develop media relationships as well as share story ideas.

Media Familiarization Tours

The CVB encourages journalists writing about Scottsdale to visit the city to gain firsthand experience. Media who visit typically produce better coverage and write more often about

the destination than those who do not experience Scottsdale for themselves. The CVB facilitates these individual and group visits by providing story ideas and coordinating customized itineraries with the support of our members, who provide accommodations, meals and activities. Group tours are often produced around specific drivers or special events to attract niche media.

The CVB also hosts a bi-annual travel writer conference, Travel Classics West, which provides an additional way to introduce top editors and freelance writers to the destination. When the conference is in another city, a CVB representative attends as a sponsor to maintain media relationships.

Media Resources

The CVB's resources provide story ideas, enhance editorial coverage and help the CVB to build relationships with media.

- **Press Kits:** The CVB's general and golf-specific press kits are used for media fulfillment. Press kits are available on flash drives and online; some materials are available in other languages.
- **Press Releases:** Throughout the year, media are targeted with news and feature releases, which often incorporate information submitted by CVB members.
- **Customized Pitches:** Customized pitches allow the CVB to tailor the message to a publication and its audience in order to secure thorough, high-value coverage.
- **Destination Images:** The CVB provides media with video footage and images to enhance Scottsdale editorial.
- **Scottsdale Travel News:** This monthly e-newsletter updates more than 4,800 domestic and international media on what's new in Scottsdale. Quarterly versions are distributed to niche segments for golf, culinary, arts and culture, and meetings; while international versions are sent periodically in Spanish, French and German.
- **Scottsdale Sun News:** This printed newsletter, which is sent in March and September, provides destination information for travel agents, tour operators, meeting planners, and the media that cover these markets.

Public Relations Representatives

The CVB contracts with public relations representatives in Canada, the United Kingdom and Germany to have a more consistent presence in these markets. The CVB also contracts with a representative in New York to help us further penetrate the media capital of the United States, and a local golf-focused marketing and public relations agency to help develop relationships with golf media throughout the world. Our representatives help build relationships with media in their respective markets, respond to media requests, distribute press materials, coordinate media visits to Scottsdale, and advise the CVB regarding opportunities to further our positioning.

Member Communications & Programs

The communications department has several programs in place to better educate members on what's happening at the CVB and how they can maximize membership with us.

- **Tourism Industry Update:** This weekly e-newsletter provides up-to-date information on CVB programs, city and state news, industry trends, and competitive destinations.
- **Member Meetings:** Quarterly Update Meetings educate members on results from past programs as well as future opportunities. The CVB also hosts a fall annual meeting.
- **Educational Seminars:** Seminars are offered throughout the year to help members better promote their business.

Tourism Awareness

The communications team educates Scottsdale residents on the value of the tourism industry through editorial sections in local publications, speaking engagements and communications with government leaders.



Convention Sales & Services

Overview

The Scottsdale Convention & Visitors Bureau's convention sales and services department provides destination education to meeting planners and assists with securing space and services for meeting and incentive programs.

Target Audiences

In Scottsdale, an estimated 60 percent of all resort and full-service hotel business results from meetings-related travel.

Corporate Meetings

About 55 percent of meetings booked by the Scottsdale CVB are from the corporate sector, including financial, manufacturing, healthcare, insurance, high-tech and incentive.

Association Meetings

Association meetings include major conventions, as well as board meetings, training/educational seminars, professional/technical meetings, and regional/local chapter meetings. These meetings account for 25 percent of the CVB's bookings.

Niche Meetings

Niche markets include sports and the SMERF market (social, military, educational, religious and fraternal meetings). These groups, which account for 20 percent of the CVB's bookings,

often are looking for value when selecting a meetings destination, which makes them a good fit for Scottsdale during the shoulder and summer seasons.

Business Decision Makers

Each of the above target audiences are influenced by high-level decision makers within their own organizations. The CVB's marketing and sales teams work collectively with the CVB's board of directors and community partners to attract these executive decision makers to experience Scottsdale firsthand with the ultimate goal of earning a spot on their coveted consideration list for future meetings business.

Programs

Many convention sales and services programs are open for CVB member participation. For specific opportunities, refer to the online [Media & Sales Schedule](#).

Generating Leads

The CVB customizes all meeting planners' requests for accommodations, meeting space and other types of services and does not produce a convention calendar. This not only protects the privacy of our clients, but also ensures that only those companies that fit their needs will be in contact with

them. The CVB works closely with both clients and members to ensure a great match between the needs and wants of a client and the products and services of our members. In addition to leads generated from our own efforts, the CVB also has agreements with Cvent and Knowland Group to generate incremental leads for the destination.

Trade Shows & Sales Calls

The CVB connects face-to-face with meeting planners at select trade shows, which typically generate immediate leads for CVB members. Often in conjunction with a trade show, the CVB will conduct sales calls to connect with additional planners. Members frequently are able to partner with the CVB for these events, increasing Scottsdale's presence in a market.

Familiarization Tours

To give clients a firsthand experience of Scottsdale, the CVB conducts two large meeting planner familiarization tours (FAMs) – the Sunsational FAM in spring and the Explore the American Southwest FAM in fall. In addition to these larger FAMs, the CVB hosts smaller niche FAMs. When possible, FAMs are produced around special events to help attract executive-level clients to Scottsdale. These FAMs provide an opportunity for members to showcase their properties and services to highly qualified meeting planners who are actively considering Scottsdale for future programs. In addition to

FAMs, smaller and more customized site inspections are coordinated throughout the year for qualified clients.

Client Outreach

Clients are contacted during the course of the year via direct mail, phone calls and emails to generate awareness, keep Scottsdale top-of-mind, and update customers on new amenities and products in Scottsdale.

Advertising & Public Relations

The CVB also reaches meeting planners through advertising in predominant trade publications, through email blasts and in online RFP tools such as Cvent. In addition, the convention sales and communications teams work together to keep Scottsdale top of mind with media from key meetings publications.

Convention Services

By efficiently matching the planners' requests for destination management services, off-property venues, speakers, wholesale gifts and other types of services with CVB member businesses, the CVB streamlines the planning process and makes the planner's job easier. The CVB also helps planners boost attendance for their programs by providing complimentary materials such as photos, videos, brochures, posters, visitor guides and welcome letters.



Overview

The Scottsdale Convention & Visitors Bureau's tourism department provides destination education to travel agents and tour operators to help them best capture the Scottsdale experience for their clients and to ensure that Scottsdale stands out as a unique destination in tour operator product inventories throughout the world. The department also promotes Scottsdale to international meetings groups.

Target Audiences

The CVB's tourism programs are targeted to tour operators, airline vacation divisions, online tour operators and travel agents in the following markets: United States, Canada, Mexico and Europe.

United States

The top 10 revenue-producing markets for domestic visitors to Scottsdale are New York, San Francisco, Chicago, Los Angeles, Seattle, Denver, Washington D.C., Philadelphia, Minneapolis, and Dallas-Fort Worth. The average visitor stays for 6.3 nights and spends \$355 per person per day. Favorite activities include dining, shopping, day trips, and Western culture and attractions.

Canada

Canada is Arizona's top-grossing international market by overall expenditures. Because more of the Canadian workforce is self-employed and on contract, they are not forced to take vacation only during Christmas break, March break or summer. Therefore, many of Canada's residents look to the United States for a quick escape many times during the year.

Mexico

Mexico is the second highest source of international visitors to the United States. Favorite vacation activities include shopping, dining and visiting historical places. Their peak travel times are the week of Easter, months of July and August, and the Christmas holiday.

Europe

Scottsdale's key target markets in Europe are the United Kingdom, Germany and France. Visitors from these countries tend to spend more and stay longer, and often visit Scottsdale during the summer months. European visitors come to Arizona for the wide open spaces and natural attractions.

Sources: Arizona Office of Tourism, City of Scottsdale, Scottsdale Convention & Visitors Bureau

Programs

Many tourism programs are open for CVB member participation. For specific opportunities, refer to the online [Media & Sales Schedule](#).

Generating Leads

The tourism department generates leads for CVB members. Once a tour operator has established a relationship with a Scottsdale hotel, the CVB introduces new itinerary ideas to enhance the experience for customers and hopefully increase the number of nights booked for a Scottsdale vacation.

Trade Shows & Sales Missions

The CVB connects face-to-face with travel professionals at select trade shows, which generate immediate leads for CVB members. In addition, the CVB conducts sales missions, client events and educational seminars in key markets to cultivate relationships with new clients and meet with long-term clients. During one-on-one client meetings, the CVB reviews travel catalogues to ensure that Scottsdale hotels and resorts are properly featured within a Scottsdale-branded section, as well as the destination being prominently featured in the catalogue and possibly even highlighted on the cover.

Familiarization Tours & Site Inspections

The CVB hosts familiarization tours (FAMs) for travel professionals to increase their overall knowledge of the destination by experiencing it firsthand. These FAMs and site inspections provide an opportunity for members to showcase their properties, services and events to travel professionals who are actively seeking new product to sell.

Product Training Seminars

The CVB conducts in-person and online product training sessions for travel industry clientele and reservation agents who sell Scottsdale hotels and activities. These seminars are a

valuable tool for increasing room-night bookings to the area – the more information each agent absorbs, the easier the destination is to sell to the leisure traveler.

Relationship Marketing

Tourism clients are contacted during the course of the year via direct mail and email to generate awareness, keep Scottsdale top-of-mind, and update customers on new amenities and products in Scottsdale.

Trade Cooperative Marketing

To drive more travelers to purchase Scottsdale vacation packages, the CVB partners with international and domestic tour operators to create trade cooperative marketing campaigns in their respective cities and countries. These promotions are organized around seasonal travel packages or a Scottsdale vacation contest. The CVB matches the nominal cost incurred by the tour operator to execute the promotion and in turn receives exposure in every medium of the promotion (e.g. print ads, direct mail, in-store displays).

To gain additional exposure, the CVB cultivates affinity marketing partnerships with companies outside the tourism industry who share a similar target audience. These layered campaigns often include in-store promotions, magazine ads and editorial, direct mail, email and catalogues. The cooperative efforts benefit the CVB and the partnering company, as well as travel agents who are often included as a call-to-action for those interested in booking a Scottsdale vacation. Collected consumer information also allows the CVB to provide additional information to potential visitors.

International Reach

The CVB works with trade representatives in the United Kingdom, Germany, Canada and Mexico. Our representatives respond to travel industry requests, participate in trade shows, and conduct educational seminars and sales missions in an effort to promote tourism to Scottsdale.

Services

The CVB also helps travel professionals to sell Scottsdale by providing complimentary materials such as photos, videos, brochures, maps, posters, visitor guides and itinerary ideas. Many travel professionals include Scottsdale promotional pieces with itineraries for clients who have purchased a Scottsdale vacation.

2012-13 Media & Sales Schedule

As of May 31, 2012

Partner with Us

The 2012-13 Media & Sales Schedule is designed to help you strategically plan your marketing, media and sales efforts. We encourage you to maximize your programs by partnering in the Scottsdale Convention & Visitors Bureau's cooperative opportunities.

By participating in a cooperative advertising buy with the CVB, you will receive discounted ad rates, can take advantage of additional advertorial space and merchandising, and will help increase the reach of the Scottsdale message.

Hosting clients for site inspections and familiarization tours, as well as joining the CVB for trade shows and sales missions, will provide your business with exposure and increased opportunities for sales.

During the year, programs can change as new opportunities arise. Check back regularly to see the most up-to-date schedule.

Key: M = Marketing C = Communications S = Convention Sales T = Tourism
Purple = Cooperative Opportunity for CVB Members

Note: Marketing programs target U.S. leisure visitors unless otherwise noted or indicated by the program or publication.

July 2012

M CVB Leisure Visitor Email Landing Page
M,C,S,T Calgary Stampede Event, 7/15 (Region: Canada)
M Golf Reverse Co-Op*
M Scottsdale Republic
M Social Life Magazine (Region: New York)
M TripAdvisor Scottsdale Destination Page
M Google Pay-Per-Click
M Smart Meetings
C,T Arizona Governor's Conference on Tourism (Phoenix), 7/11-13
C Visit USA Media Marketplace (London), 7/4
S Vancouver Sales Calls
S Midwest Sales Calls

August 2012

M Connect Magazine (Market: Meetings)
M CVB Leisure Visitor Email Landing Page
M CVB Quarterly Meetings Email
M CVB Quarterly Travel Trade Email
M Golf Reverse Co-Op*
M Saveur
M Scottsdale Republic
M Travel Direct Email (Market: Meetings)
M TripAdvisor Scottsdale Destination Page
M Google Pay-Per-Click
C Vancouver Media Marketplace (AOT), 8/14-15
S ASAE (Dallas), 8/11-14
S Incentive Works Trade Show (Toronto), 8/21-24

S Connect Marketplace (New Orleans), 8/16-18
 S MPI Southeast Education (Orlando)
 S NSO/CVB Pfizer & New York Sales Calls
 T Los Angeles Receptive Sales Mission, 8/6-10
 T National Tour Association CoNTAct Trade Show (San Diego), 8/16-18

September 2012

M CVB Leisure Visitor Email Landing Page
 M Golf Reverse Co-Op*
 M *Horizon Travel Magazine* (Region: New York)
 M *M&C Magazine* (Market: Meetings)
 M,C,S,T San Francisco Client Event
 M *Scottsdale Republic*
 M *Smart Meetings*
 M Travel Direct Email (Market: Meetings)
 M TripAdvisor Scottsdale Destination Page
 M AFAR
 M *Avenue Magazine* (Region: Canada – Calgary)
 M Facebook
 M Google Pay-Per-Click
 C New York Media Mission
 S MEET National (Washington D.C.), 9/5-6
 S Smart Mart (Miami Beach), 9/16-19
 S Smart Mart (Denver), 9/27
 S ASC SportsLink (Colorado Springs)
 T MLT University (St. Paul), 9/22-24
 T San Francisco Travel Agent Sales Calls & Client Event

October 2012

M AFAR
 M Association Meetings
 M,C,S,T Chicago Blackhawks Event
 M CVB Leisure Visitor Email Landing Page
 M Golf Reverse Co-Op*
 M *M&C Magazine* (Market: Meetings)
 M *Modern Luxury* (Region: Chicago, Los Angeles, New York, San Francisco)
 M *National Geographic Traveler*
 M *Robb Report*
 M *Saveur*
 M *San Francisco Chronicle*
 M *Scottsdale Republic*
 M *Smart Meetings*
 M Travel Direct Email (Market: Meetings)
 M TripAdvisor Scottsdale Destination Page
 M Association Meetings
 M emiles Frequent Flyer Loyalty Reward Program
 M Facebook
 M *Golf Digest*
 M *Golf Magazine*
 M Google Pay-Per-Click
 M *Links Magazine* (Market: Golf)
 M *Marin Magazine* (Region: San Francisco)
 C Discover America Day (Toronto), 10/2
 S,C Explore the American Southwest Meetings FAM
 S IMEX Trade Show (Las Vegas), 10/11-13

S TEAMS (Detroit), 10/1-4
T United Kingdom Sales Mission (London, Chester, Manchester, Glasgow), 10/1-5
T Showcase Arizona (Hermosillo), 10/4
T Western Canada Sales Mission (Edmonton, Calgary, Victoria, Vancouver), 10/15-19
T NBAA Annual Conference (Orlando), 10/30-11/1

November 2012

M *Condé Nast Traveler* (Region: California, Chicago, Nevada, New York)
M *Collaborate* (Market: Meetings)
M *Connect Magazine* (Market: Meetings)
M Custom Marketing Group Insert – *Globe & Mail*, *Toronto Star*, *Calgary Herald*,
Vancouver Sun, *Edmonton Journal*, *Montreal Gazette* (Region: Canada)
M CVB Event Splash Page (Rock 'n' Roll Arizona Marathon)
M CVB Leisure Visitor Email Landing Page
M CVB Quarterly Meetings Email
M CVB Quarterly Travel Trade Email
M *Denver Life*
M *Experience Scottsdale* Visitor Guide
M *Globe & Mail* (Region: Canada)
M Golf Reverse Co-Op*
M *Horizon Travel Magazine*
M *Ignite* (Region: Canada; Market: Meetings)
M *Modern Luxury* (Region: Chicago)
M *National Geographic Traveler*
M *New York Times Magazine*
M *Scottsdale Republic*
M Southwest Airlines' *Spirit Magazine*
M TripAdvisor Scottsdale Destination Page
M AFAR
M Arizona Fall League Sponsorship
M *Avenue Magazine* (Region: Canada – Calgary and Edmonton)
M emiles Frequent Flyer Loyalty Reward Program
M Facebook
M *Golf Magazine*
M *Golf World*
M Google Pay-Per-Click (Region: United States and Canada)
M Sojern.com
M United Airlines' *Hemispheres Magazine*
C Travel Classics West Writers' Conference (Scottsdale), 11/15-18
S Canadian Meetings FAM
S Southern California Sales Mission, 11/6-8
S Washington D.C. & Virginia Sales Mission, 11/6-9
S Smart Mart (San Diego), 11/8
S Wisconsin Sales Calls
T World Travel Market (London), 11/5-8
T EIBTM Trade Show (Barcelona), 11/27-29

December 2012

M Air Canada's *enRoute*
M *Association Meetings*
M CVB Event Splash Page (Fiesta Bowl, Barrett-Jackson Collector Car Auction, Waste
Management Phoenix Open, Spring Training)
M CVB Leisure Visitor Email Landing Page
M *Elite Traveler*
M Golf Reverse Co-Op*

M Google Search & Facebook Events (Rock 'n' Roll Arizona Marathon, Fiesta Bowl, Barrett-Jackson Collector Car Auction, Waste Management Phoenix Open, Celebration of Fine Art, Christmas)
M *Robb Report*
M *Scottsdale Republic*
M Southwest Airlines' *Spirit Magazine*
M TripAdvisor Scottsdale Destination Page
M Association Meetings
M Facebook
M *Golf World*
M Google Pay-Per-Click (Region: United States and Canada)
M Sojern.com
M United Airlines' *Hemispheres Magazine*
C Fairmont Media Golf Classic (Scottsdale), 12/6-10
C United Kingdom Media FAM
S Holiday Showcase (Chicago), 12/13
S Local Client Event
S Smart Mart (Dallas), 12-6
T US Airways Vacations Call Center Product Training (Tempe), 12/5
T New York Sales Mission, 12/10-14

January 2013

M Air Canada's *enRoute*
M CVB Driver Landing Page (golf, adventure, dining, spa, art, hotels)
M *Collaborate* (Market: Meetings)
M *Condé Nast Traveler* (Region: California, Chicago, Nevada, New York)
M *Connect Magazine* (Market: Meetings)
M CVB Event Splash Page (Spring Training)
M CVB Leisure Visitor Email Landing Page
M *Denver Life*
M *Destination Weddings & Honeymoons*
M Golf Reverse Co-Op*
M *M&C Magazine* (Market: Meetings)
M *Modern Luxury* (Region: Chicago, Los Angeles, New York, San Francisco)
M *Robb Report*
M *San Francisco Chronicle*
M *Saveur*
M *Scottsdale Republic*
M *Smart Meetings*
M Southwest Airlines' *Spirit Magazine*
M Travel Adventure Consumer Show (Region: Chicago, Los Angeles)
M Travel Direct Email (Market: Meetings)
M TripAdvisor Scottsdale Destination Page
M *American Art Collector*
M *Avenue Magazine* (Region Canada – Calgary)
M Cable TV (Region: Chicago, Los Angeles)
M Canadian Traffic Network
M Facebook
M Golf Channel Cable TV (Region: Chicago, Denver, Los Angeles, New York)
M *Golf World*
M Google Pay-Per-Click (Region: United States and Canada)
M Light Rail Wrap (Region: Denver)
M Native Trails Promotion
M Outdoor Billboards (Region: Chicago, Los Angeles, San Francisco)
M Sojern.com

M Subway Promotion (Region: New York)
 M United Airlines' *Hemispheres Magazine*
 M US Airways' In-flight Magazine (Cactus League Section)
 M Waste Management Scottsdale Open Sponsorship
 M Weather Channel (Region: Canada)
 M WeatherChannel.com (Region: Chicago, Denver, New York, San Francisco)
 C Waste Management Scottsdale Open Media FAM
 C Waste Management Phoenix Open Media FAM, 1/28-2/3
 C Los Angeles Media Marketplace (AOT), 1/15
 C Super Bowl Media Center (New Orleans), 1/27-2/3
 C Vancouver Media Mission
 S Fiesta Bowl Sports FAM
 S Minneapolis/St. Paul Sales Mission & Client Event
 T Mexico Sales Mission (Mexico City), 1/21-25
 T National Tour Association Trade Show (Orlando), 1/19-23
 T Go West Summit (Fort Worth), 1/28-31
 T NBAA Schedulers & Dispatchers Conference (San Antonio), 1/22-25

February 2013

M Air Canada's *enRoute*
 M CVB Driver Landing Page (golf, adventure, dining, spa, art, hotels)
 M CVB Leisure Visitor Email Landing Page
 M CVB Quarterly Meetings Email
 M CVB Quarterly Travel Trade Email
 M *Denver Post*
 M *Globe & Mail* (Region: Canada)
 M Golf Reverse Co-Op*
 M *Ignite* (Region: Canada; Market: Meetings)
 M *National Geographic Traveler*
 M *New York Times Magazine* (Region: New York)
 M *Robb Report*
 M *San Francisco Chronicle* (Region: San Francisco)
 M *Scottsdale Republic*
 M Travel Adventure Consumer Show (Region: San Francisco)
 M Travel Direct Email (Market: Meetings)
 M TripAdvisor Scottsdale Destination Page
 M AOT Official State Visitor Guide
 M *Avenue Magazine* (Region: Canada – Calgary, Edmonton)
 M Cable TV (Region: Chicago, Los Angeles)
 M Canadian Traffic Network
 M Facebook
 M *Golf Magazine*
 M *Golf World*
 M Google Pay-Per-Click (Region: United States and Canada)
 M Light Rail Wrap (Region: Denver)
 M *Links Magazine* (Market: Golf)
 M Native Trails Promotion
 M Outdoor Billboards (Region: Chicago, Los Angeles, San Francisco)
 M Sojem.com
 M Weather Channel (Region: Canada)
 M WeatherChannel.com (Region: Chicago, Denver, New York, San Francisco)
 C Toronto/Montreal Media Events
 C,T Mexico City Media & Trade Event
 S Destination Showcase (Washington D.C.)
 S New York Sales Mission & Client Event

S Washington D.C. Client Event
 S North Carolina Sales Calls
 T Eastern Canada Sales Mission (Toronto)

March 2013

M AFAR
 M *Condé Nast Traveler* (Region: California, Chicago, Nevada, New York)
 M CVB Driver Landing Page (golf, adventure, dining, spa, art, hotels)
 M CVB Leisure Visitor Email Landing Page
 M *Destination Weddings & Honeymoons*
 M *Elite Traveler*
 M Golf Reverse Co-Op*
 M *Robb Report*
 M *San Francisco Chronicle* (Region: San Francisco)
 M *Scottsdale Republic*
 M *Smart Meetings*
 M Travel Direct Email (Market: Meetings)
 M TripAdvisor Scottsdale Destination Page
 M *Denver Life*
 M Facebook
 M Google Pay-Per-Click
 M Weather Channel (Region: Canada)
 C Southern California Media Mission
 C,T ITB Trade Show (Berlin), 3/6-10
 S Meetings Industry Council of Colorado Trade Show (Denver), 3/27
 S Seattle & Portland Sales Mission
 S Spring Training Third-Party Meetings FAM
 S Conference Direct APM (Las Vegas), 3/17-21
 S Pharmaceutical Meeting Forum (Philadelphia), 3/24-27

April 2013

M CVB Driver Landing Page (golf, adventure, dining, spa, art, hotels)
 M CVB Leisure Visitor Email Landing Page
 M Golf Reverse Co-Op*
 M *Ignite* (Region: Canada; Market: Meetings)
 M *Scottsdale Republic*
 M TripAdvisor Scottsdale Destination Page
 M Google Pay-Per-Click
 M *Marin Magazine* (Region: San Francisco)
 C Spa Media FAM
 C,T AOT Mexico Media & Sales Mission (Mexico City & Guadalajara), 4/22-26
 S Atlanta Sales Mission & Client Event
 S Chicago Sales Mission
 S Ohio Sales Mission
 S Pharmaceutical Meetings FAM
 S HelmsBriscoe ABC (Orlando), 4/17-19
 S NASC Sports Symposium
 T Southern California Sales Calls & Client Event, 4/9-13

May 2013

M *Collaborate Magazine* (Market: Meetings)
 M CVB Driver Landing Page (golf, adventure, dining, spa, art, hotels)
 M CVB Leisure Visitor Email Landing Page
 M CVB Quarterly Meetings Email
 M CVB Quarterly Travel Trade Email

M *Destination Weddings & Honeymoons*
M **Golf Reverse Co-Op***
M *Scottsdale Republic*
M **TripAdvisor Scottsdale Destination Page**
M *Destination Weddings & Honeymoons*
M **Google Pay-Per-Click**
C **Romance or Summer Values Media FAM**
C **United Kingdom Media Mission (AOT), 5/6-10**
C **Travel Media Association of Canada**
S **Boston & Connecticut Sales Mission & Client Event**
S **GWSAE (Washington D.C.)**
S,C **Sunsational Meetings FAM**
S **Collaborate Marketplace**
T **German Sales Mission (Munich, Frankfurt, Hannover, Hamburg), 5/6-10**
T **IMEX Meeting & Incentive Trade Show (Frankfurt), 5/21-24**
T **Local Client Event (Scottsdale)**

June 2013

M **Connect Magazine** (Market: Meetings)
M **CVB Driver Landing Page** (golf, adventure, dining, spa, art, hotels)
M **CVB Leisure Visitor Email Landing Page**
M **Golf Reverse Co-Op***
M *Ignite* (Market: Meetings)
M *Scottsdale Republic*
M **TripAdvisor Scottsdale Destination Page**
M **Google Pay-Per-Click**
C,T **U.S. Travel Association's International Pow Wow (Las Vegas), 6/8-12**
C **Travel Media Association of Canada (Saskatoon, Saskatchewan), 6/12-15**
S **AIBTM (Baltimore)**
S **HelmsBriscoe FAM**
S **Ignite Canada (Toronto)**
S **Orange County Client Event**

***Golf Reverse Co-Op:** See program requirements for specific details. Following is a list of approved media outlets that can be considered for this program: *ACES Magazine, Avid Golfer Texas, Fairways & Greens, Fairways Magazine, FORE Magazine, Golf Chicago, Golf Digest/Golf World, GOLF Magazine, Golf News Now, Golfweek, LINKS Magazine, Mel Golfer and SCORE Golf.*

Destination Marketing Services Agreement FY2012-2013 Program of Work Performance Standards

Convention Sales

1. Generate 1100 convention sales leads for Scottsdale properties.
2. Conduct 150 customer interaction/site inspections for Scottsdale properties.
3. Confirm 375 convention bookings for future dates.
4. Confirm convention bookings for future dates resulting in 100,000 room nights.

Convention Services

1. Generate 230 non-hotel leads to Scottsdale SCVB members.

Travel Industry Sales

1. Generate 1,500 domestic and international tour program leads and services for Scottsdale properties/venues.
2. Promote Scottsdale as one of the world's top leisure destinations to 3,300 targeted clients.
3. Generate a minimum of 2.5 million travel agent impressions via destination product offering in domestic and international tour operator catalogues.

Communications

1. Generate 950 travel articles about Scottsdale.
2. Reach a minimum of 1.3 billion readers/viewers through editorial placement.
3. Generate publicity with an equivalent advertising value of at least \$15 million.

Marketing

1. Convert a minimum of 73% of CVB inquiries into Scottsdale visitors.
2. Generate economic impact of \$120,000,000 associated with the CVB's visitor inquiries.
3. Generate no less than a total of 25,000 inquiries from high demographic customers in Primary and Secondary markets such as Canada, Chicago, Los Angeles, New York, San Francisco, Denver, Minneapolis and Phoenix.
4. Generate a minimum of 1,000,000 unique visitors to the SCVB website.
5. Reach a room rate differential of \$45 for Scottsdale vs. the valley.
www.ExperienceScottsdale.com.

EXHIBIT "C"

CITY SUPPORT PROVISIONS

1. City Not a Party. City of Scottsdale, an Arizona corporation ("City") is not a party to this Agreement between SCVB and the event producer ("Producer"). But, City is a third party beneficiary of this Agreement. Without limitation any amendment to this Agreement shall require City's prior written consent.

2. Legal Limits. Any and all payments or performances by City contemplated in relation to this Agreement shall be subject to all applicable Federal, state and municipal finance, budgeting, appropriations and other laws, rules, regulations and policies and shall be subject to any and all additional limitations set out in SCVB's contracts with City and the city council resolutions or other official acts authorizing or funding such contracts, all of which are public records available for inspection at www.scottsdaleaz.gov or available at City's offices through City's normal public records inspection procedures.

3. City Contract with SCVB. City is not bound by this Agreement. Any payment or performance by City related to the Event or this Agreement shall only be pursuant to a separate contract between City and SCVB. Producer is not a third-party beneficiary of any such contract, or any other rights or obligations between City and SCVB. SCVB's obligations to Producer are limited to the specific items detailed in this Agreement. If Producer desires use of City resources (for example, if Producer desires to conduct its event at a City park or right-of-way or on other City land), then Producer must pursue those City resources through normal processes. Without limitation, neither SCVB's nor City's support of the event is a commitment that such City resources will be available, even if the City resources are discussed in this Agreement or are necessary to conduct the event in the manner contemplated by this Agreement.

4. Conflicts. If there is any conflict between this exhibit and the remainder of this Agreement (or any other expectation or understanding that SCVB or Producer may have), then this exhibit controls.

5. Authority. No person (whether an employee of SCVB or City, or any other person) has authority to waive these provisions.

6. Indemnity. Producer and SCVB shall indemnify, defend and hold harmless City from and against injury, loss death or other claim related in any way to the event, their agreement or any performance, non-performance or other act or omission related thereto by themselves or others. Producer shall cause City to be an additional insured on all liability insurance policies related to the event.

7. Other Provisions. City reserves the right to insert additional provisions into this exhibit based on the facts and circumstances of a specific event. City shall provide notice of additional provisions as soon as practicable.

9835351v1

Exhibit "C"

Contract No. 2012-053-COS

8. Compliance With E-Verify. The parties shall comply with immigration laws as follows:

8.1. The Parties understand and acknowledge the applicability to them of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. Both parties agree to comply with these laws in performing this Agreement and to permit each other to verify compliance. SCVB will include the terms of this provision in all contracts and subcontracts for work performed under this Agreement, including supervision and oversight.

8.2 Under the provisions of A.R.S. §41-4401, each party warrants to the other and to City that it will comply with all Federal Immigration laws and regulations that relate to its employees and that the party and all its subcontractors working under the terms of the Agreement now comply with the E-Verify Program under A.R.S. §23-214(A).

8.3 A breach of this warranty will be considered a material breach of this Agreement and may subject the parties to penalties up to and including termination of this Agreement or any subcontract.

8.4 Both parties retain the legal right to inspect the papers of any employee of either party or any subcontractor who works on this Agreement to ensure that they are complying with the warranty given above.

8.5 Each party may conduct random verification of the employment records of the other and any of its subcontractors working under this Agreement to ensure compliance with this warranty. Each party agrees to indemnify, defend and hold harmless the other party for, from and against all losses and liabilities arising from any and all violations of these statutes.

8.6 Neither party will consider the other or any of its subcontractors in material breach of this Agreement if they establish that they have complied with the employment verification provisions prescribed by 8 USCA §1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

8.7 The provisions of this paragraph must be included in any contract either party enters into with any and all of its subcontractor who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a political subdivision, company or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property. Both Parties will take appropriate steps to assure that all applicable subcontractors comply with the requirements of the E-Verify Program. The failure to assure compliance by all its subcontractors with the E-Verify Program may be considered a material breach of this Agreement.

9835351v1

Exhibit "C"

Contract No. 2012-053-COS

9. Sudan and Iran. In accordance with A.R.S. §35-391.06 and 35-393.06, SCVB certifies that it does not have scrutinized business operations in Sudan or Iran, as defined in A.R.S. §35-391(15) and 35-393(12).

10. Knowledge. It is Producer's responsibility to become aware of the foregoing limitations, provisions and their implications.

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Exhibit "C"

Contract No. 2012-053-COS

Hospitality and Promotional Agreement Scottsdale Convention & Visitors Bureau and Fiesta Bowl

THIS AGREEMENT is made and entered into this 28th day of August, 2006, by and between the Scottsdale Convention & Visitors Bureau, Inc., an Arizona non-profit corporation ("SCVB"), and Fiesta Events, Inc. (d.b.a. Fiesta Bowl), an Arizona non-profit corporation ("Fiesta Bowl").

WITNESSETH

A. The Fiesta Bowl and the Scottsdale community have had a long, mutually beneficial relationship. Fiesta Bowl teams have stayed in Scottsdale resorts and practiced at Scottsdale-area facilities for the past two decades.

B. SCVB and Fiesta Bowl desire to enter into an Agreement whereby both Fiesta Bowl football teams will lodge and practice in the Scottsdale area for the next twenty (20) Fiesta Bowl games beginning in January 2007. SCVB and Fiesta Bowl desire to enter into an Agreement whereby both football teams that participate in the next five (5) Bowl Championship Series (or commensurate governing body's) National Championship games staged in Maricopa County, Arizona will lodge and practice in the Scottsdale area at any time these games occur beginning in January 2007. SCVB and Fiesta Bowl desire to enter into an Agreement whereby one Insight Bowl football team will lodge and practice in the Scottsdale area for at least the next four (4) Insight Bowl games beginning in December 2006. Lodging for Fiesta Bowl and National Championship teams must meet Bowl Championship Series' (or commensurate governing body's) customary standards with teams assigned to resorts as outlined in Section 1.1 of this Agreement. The teams include the traveling party representing the participating teams, including all university athletes, coaches and officials representing the football teams.

C. This Agreement is intended to benefit SCVB and the City of Scottsdale, an Arizona municipal corporation ("City") by promoting Scottsdale and tourism in Scottsdale during the Fiesta Bowl and at other times.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. HOSTING. Fiesta Bowl shall do the following during the entire term of this agreement:

1.1 Fiesta Bowl shall cause both Fiesta Bowl and both National Championship teams to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. Fiesta Bowl shall also cause one Insight Bowl team to lodge during the majority of their visit to Arizona in a resort that pays bed tax to City or to the Town of Paradise Valley for the next four Insight Bowl games beginning in December 2006. Should Fiesta Bowl not be able to secure lodging for both Fiesta Bowl and both National Championship teams in City or Town of Paradise Valley resorts that

meets Bowl Championship Series' (or commensurate governing body's) customary standards, Fiesta Bowl shall have the right to locate one Fiesta Bowl team per year or one National Championship team per year in years when a National Championship game is staged in Maricopa County, Arizona, in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley. Fiesta Bowl is required to exhaust all possibilities for lodging within resorts that pay bed tax to City or Town of Paradise Valley prior to consideration of SCVB-member resorts that do not pay bed tax to City or Town of Paradise Valley. Should Fiesta Bowl cause a Fiesta Bowl or National Championship team to lodge in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley, Fiesta Bowl, in that year, shall cause a minimum of one additional Fiesta Bowl group as defined in Section 1.4 to lodge for the majority of their visit to Arizona in a hotel or resort that pays bed tax to City or to the Town of Paradise Valley.

1.2 Fiesta Bowl shall cause both Fiesta Bowl and both National Championship teams to conduct the majority of their practices, scrimmages and rehearsals at facilities within City and/or in facilities near City that are mutually agreeable between SCVB and Fiesta Bowl. Fiesta Bowl shall also cause one Insight Bowl team to conduct the majority of their practices, scrimmages and rehearsals at facilities within City and/or in facilities near City that are mutually agreeable between SCVB and Fiesta Bowl for the next four (4) Insight Bowl football games beginning in December 2006. City and SCVB agree to not unreasonably withhold approval of practice sites necessary to provide the best service possible to Fiesta Bowl, National Championship and Insight Bowl teams.

1.3 Fiesta Bowl shall be responsible for securing and renting its Scottsdale and Scottsdale area practice facilities. No additional funds or reimbursement for practice facilities' renovations or maintenance will be provided by SCVB or City.

1.4 Fiesta Bowl shall cause a minimum of five (5) Fiesta Bowl or Insight Bowl-related groups per year representing a minimum of 2,000 hotel or resort room nights per year to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. A minimum of three (3) of these groups per year, representing a minimum of 1,200 hotel or resort room nights per year, must be affiliated with the Fiesta Bowl, instead of the Insight Bowl. In those years that Fiesta Bowl stages a National Championship game in Maricopa County, Arizona, Fiesta Bowl shall also cause a minimum of five (5) National Championship-related groups per year representing a minimum of 2,000 hotel or resort room nights per year, to lodge during the majority of their visit to Arizona in resorts that pay bed tax to City or to the Town of Paradise Valley. As outlined in Section 1.1, should Fiesta Bowl cause a Fiesta Bowl or National Championship team to lodge in a SCVB-member resort that does not pay bed tax to City or Town of Paradise Valley, Fiesta Bowl, in that year, shall cause a minimum of one additional Fiesta Bowl or National Championship, not Insight Bowl, group representing a minimum of 400 hotel or resort room nights to lodge for the majority of their visit to Arizona in a hotel or resort that pays bed tax to City or to the Town of Paradise Valley. For purposes of this paragraph, a group consists of a block of hotel or resort room nights documented by Fiesta Bowl and consumed by media, university alumni associations, university tour operator groups, university bands, corporate and sponsor groups,

television networks, Bowl Championship Series (or commensurate governing body) or conference officials, who travel to Maricopa County, Arizona for the primary purpose of attending or participating in the Fiesta Bowl, National Championship or Insight Bowl games. Fiesta Bowl, National Championship and Insight Bowl teams are excluded from this definition of a group and are addressed separately in this Agreement. For purposes of this paragraph, a room night is one hotel or resort room consumed for one night.

2. PROMOTION. Fiesta Bowl shall provide to SCVB and City the following promotional benefits during the entire term of this agreement:

2.1 SCVB shall be the exclusive convention and visitors bureau and hotel reservations service listed and/or promoted by Fiesta Bowl for the Fiesta Bowl and National Championship games.

2.2 Fiesta Bowl shall promote within all Fiesta Bowl promotional and collateral materials, and any National Championship game promotional and collateral materials produced by Fiesta Bowl, the SCVB's website address for an accommodations-booking page located on www.experiencescottsdale.com.

2.3 Fiesta Bowl shall refer all Fiesta Bowl and National Championship game customers, including callers and e-mail inquiries, seeking accommodations information to the accommodations-booking page on www.experiencescottsdale.com.

2.4 Fiesta Bowl shall provide a prominent link from the home page of its website to SCVB's accommodations-booking page on www.experiencescottsdale.com.

2.5 Fiesta Bowl shall promote the accommodations-booking page on www.experiencescottsdale.com to all incoming Fiesta Bowl and National Championship game groups, such as alumni associations, booster groups, dignitaries and fans.

2.6 Fiesta Bowl shall grant SCVB power to appoint one representative to be part of any committee that involves communicating/meeting with Fiesta Bowl and National Championship game groups regarding game-related accommodations. Fiesta Bowl or Insight Bowl officials shall remain the sole point of contact for discussions with bowls' football teams, the Bowl Championship Series, Bowl Championship Series' conferences and television networks for lodging arrangements.

2.7 Fiesta Bowl shall allow SCVB to take part in any promotional trips scheduled by Fiesta Bowl to the markets of the participating or proposed participating teams for Fiesta Bowl and the National Championship game. SCVB will pay for all of its expenses related to these trips.

2.8 Fiesta Bowl shall cause SCVB to receive a minimum of five (5) public address announcements during each Fiesta Bowl and each National Championship football game. The Fiesta Bowl and SCVB shall mutually agree as to the content of these messages.

2.9 Fiesta Bowl shall provide to SCVB two (2) 30-second video board spots during each Fiesta Bowl football game and during each National Championship game.

2.10 Fiesta Bowl shall provide to SCVB one (1) full-page advertisement in all official Fiesta Bowl and Insight Bowl football game programs, Fiesta Bowl Entertainment Guides and National Championship football game programs.

2.11 Fiesta Bowl shall prominently list "City of Scottsdale" and "Scottsdale Convention & Visitors Bureau" on the sponsor recognition page in the Fiesta Bowl game program, and in any other Fiesta Bowl and National Championship game publications, websites, and collateral materials where Fiesta Bowl sponsors are listed or recognized.

3. HOSPITALITY. Fiesta Bowl shall provide to SCVB the following hospitality benefits during each year of this Agreement, which SCVB shall use to entertain meeting and travel planner clients, and also as fulfillment for Fiesta Bowl-related consumer promotions established to generate Scottsdale visitor inquiries:

3.1 One (1) in-stadium suite with a minimum of 20 tickets for that suite to each Fiesta Bowl football game and each National Championship football game for sole use by SCVB. SCVB shall be responsible for all food and beverage expenses incurred for this suite.

3.2 Thirty (30) tickets to each Fiesta Bowl football game and National Championship football game. All of the tickets will be located in the best available "non suite" category of seating.

3.3 Fifty (50) tickets to each Fiesta Bowl's "College Football's Biggest Party" or equivalent pre-game party celebration for each Fiesta Bowl football game and National Championship football game.

3.4 Eight (8) tickets to each Fiesta Bowl Pre-Game Party or equivalent event for each Fiesta Bowl football game and National Championship football game.

3.5 Eight (8) parking passes to each Fiesta Bowl football game and National Championship football game.

3.6 Eight (8) game tickets to each Insight Bowl.

3.7 Two (2) parking passes to each Insight Bowl.

3.8 Four (4) tickets to each Fiesta Bowl Ball.

3.9 SCVB and City agree that no Fiesta Bowl, Insight Bowl or National Championship game tickets, suites, passes or advertising may be sold or resold by either SCVB or City to any outside person or agency.

4. FIESTA BOWL BENEFITS. SCVB shall provide to Fiesta Bowl the following benefits during each year of this Agreement.

4.1 SCVB shall cause City to provide Scottsdale police escorts to and from daily practices and to and from all Fiesta Bowl, Insight Bowl and National Championship football games to all teams that stay in hotels or resorts that pay bed tax to City or to the Town of Paradise Valley. The police escorts will be provided at no charge to Fiesta Bowl or the applicable teams or universities.

4.2 SCVB shall cause City to designate a Scottsdale police department representative to inform and assist Fiesta Bowl, Insight Bowl and National Championship game teams staying in Scottsdale with matters of public safety and security regarding the teams' respective stays in City.

4.3 SCVB shall aid Fiesta Bowl annually, upon request, with locating practice facilities within City for use by Fiesta Bowl, Insight Bowl and National Championship teams during their stays at SCVB-member resorts.

4.4 SCVB shall aid Fiesta Bowl annually, upon request, with securing room blocks and rates at Scottsdale and Paradise Valley resorts at or under guideline rates set by the Bowl Championship Series (or commensurate governing body) for Fiesta Bowl, Insight Bowl and National Championship game teams.

4.5 SCVB shall secure annually for Fiesta Bowl's use a block of 250 room nights at resorts that pay bed tax to City or Town of Paradise Valley that can be used by Fiesta Bowl throughout the year. Fiesta Bowl will pay a substantially-discounted rate for these room nights, the exact rate to be paid by Fiesta Bowl for these room nights will be mutually agreeable to Fiesta Bowl and SCVB. Fiesta Bowl will not be required to utilize these room nights unless needed by and acceptable to Fiesta Bowl.

4.6 SCVB shall feature Fiesta Bowl and National Championship games within SCVB's destination marketing materials, including its web site (www.scottsdalecvb.com) with a link to Fiesta Bowl's web site.

4.7 SCVB shall pay Fiesta Bowl as follows for the hosting, promotional, and hospitality benefits outlined in this Agreement.

Fiesta Bowl Games

1st Game--\$210,000
One Time--\$500,000
2nd Game--\$218,400
3rd Game--\$227,136
4th Game--\$236,221
5th Game--\$245,670
6th Game--\$255,497
7th Game--\$265,717
8th Game--\$276,346
9th Game--\$287,400
10th Game--\$298,896
11th Game--\$310,852
12th Game--\$323,286
13th Game--\$336,217
14th Game--\$349,666
15th Game--\$363,653
16th Game--\$378,199
17th Game--\$393,327
18th Game--\$409,060
19th Game--\$425,422
20th Game--\$442,439

National Championship Games

1st Championship Game--\$210,000
2nd Championship Game--\$245,670
3rd Championship Game--\$287,400
4th Championship Game--\$336,217
5th Championship Game--\$393,327

Grand Total Cash after twenty (20) Fiesta Bowl Games, twenty (20) Insight Bowl Games, and five (5) National Championship Games: \$8,226,018

In-Kind Police Services for twenty (20) Fiesta Bowl Games, twenty (20) Insight Bowl Games, and five (5) National Championship Games: \$300,000

4.8 Should the Bowl Championship Series (or commensurate governing body) adjust its model for the hosting of championship games to an arrangement where the National Championship game is played within the Fiesta Bowl game, Fiesta Bowl will receive its regularly-scheduled payment for that Fiesta Bowl game, plus an additional \$50,000 from SCVB per National Championship game played within the Fiesta Bowl game. No other separate or additional National Championship game payments will be made for National Championship games played within Fiesta Bowl games.

5. PAYMENT SCHEDULE. Fiesta Bowl shall deliver to SCVB on or before October 1, 2006 an invoice for a one-time \$500,000 payment indicating payment is due on or before November 1, 2006. Fiesta Bowl shall deliver to SCVB on or before October 1 and January 1 of each year—beginning October 1, 2006—a payment request for 50 percent of the cash amount due to Fiesta Bowl for that fiscal year, based on the payment amounts

listed in Section 4.7 of this Agreement. Payments will be due to Fiesta Bowl no later than November 1 and February 1 for each game.

6. TERM AND EXTENSION. The term of this Agreement shall begin August 2006 and expire the earlier of August 31, 2030, or the date that 20 Fiesta Bowl football games, 20 Insight Bowl football games, and five National Championship football games have been played.

7. GAME INTERRUPTION. The parties believe that the Fiesta Bowl and the Insight Bowl will be played in Maricopa County, Arizona every year and that the National Championship Game will be played every fourth year in Maricopa County, Arizona beginning in January 2007. Should any of these regularly-scheduled football games not be played in Maricopa County, Arizona, during any year of this Agreement, SCVB shall not be obligated to provide Fiesta Bowl with any payment or other performance for that year for that football game and Fiesta Bowl shall not be obligated to provide SCVB with any of the promotion, hospitality benefits or other performance for that year for that football game. The game payments shall be made in the order and in the amounts listed in paragraph 4.7. For example, if the National Championship Game is not played in Maricopa County, Arizona in 2015, then 1) no payment shall be made for the National Championship Game in 2015; 2) the amount of the next National Championship Game payment shall be the amount that would have been paid in 2015 had the National Championship Game been played in 2015; and 3) the amount of each subsequent National Championship Game payment shall be the next unpaid National Championship Game payment amount listed in paragraph 4.7. For another example, if the Fiesta Bowl Game is not played in Maricopa County, Arizona in 2007, then 1) no payment shall be made for the Fiesta Bowl Game in 2007; 2) the amount of the next Fiesta Bowl Game payment shall be the amount that would have been paid in 2007 had the Fiesta Bowl Game been played in 2007; and 3) the amount of each subsequent Fiesta Bowl Game payment shall be the next unpaid Fiesta Bowl Game payment amount listed in paragraph 4.7. For purposes of this paragraph, the annual non-championship payment shall be allocated 90 percent to the Fiesta Bowl Game and 10 percent to the Insight Bowl Game. The one-time \$500,000 payment is payable regardless of game cancellation. All other provisions of this Agreement shall remain in effect.

8. SCVB TERMINATION. Should City terminate its contract for Convention & Visitors Bureau services with the SCVB during the term of this Agreement and funds are not appropriated by City to continue its contract with SCVB, SCVB may terminate this Agreement. SCVB agrees to give thirty (30) days written notice to Fiesta Bowl regarding its intent to terminate this Agreement should City terminate its contract for Convention & Visitors Bureau services with SCVB.

9. THIRD PARTY BENEFICIARY. City is not a party to this Agreement, but is a third party beneficiary to this Agreement. Any termination or modification of this Agreement shall require City's formal prior written consent.

10. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Agreement may not be modified or amended except by a written document, signed by authorized representatives of each party.

11. ARIZONA LAW. This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

12. ASSIGNMENT. Services covered by this Agreement shall not be assigned or sublet in whole or in part without the prior written consent of the other party.

13. SUCCESSORS AND ASSIGNS. This Agreement shall extend to and be binding upon both parties, its successors and assigns, including any individual, company, partnership, or other entity with or into which either party shall merge, consolidate, or be liquidated, or any person, corporation, partnership, or other entity to which either party shall sell its assets.

14. ATTORNEY'S FEES. In the event either party (or City) brings any action for any relief, declaratory or otherwise, arising out of this Agreement, or on account of any breach or default hereof, the prevailing party (or City) shall be entitled to receive from the other party reasonable attorney's fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. Should either party (or City) believe any breach or default has occurred, it shall notify the other party (and City) in writing as to the nature of the dispute. The parties will have a 30-day period, upon receipt of notice, to remedy the breach or default. An independent mediator or arbitrator, as agreed upon by both parties (and City), shall be used, prior to either party taking legal action, to settle any such disputes.

15. INDEPENDENT CONTRACTOR. The relationship between SCVB and Fiesta Bowl shall be that of independent contractors for purposes including tax law purposes and engagement law purposes and not that of employer-employee, principal-agent, partners, joint ventures, or otherwise.

16. NOTICES. All notices or demands required to be given pursuant to the terms of this Agreement shall be given to the other party in writing, delivered by hand or registered or certified mail, with a copy to City, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of Fiesta Bowl:
Fiesta Events, Inc.
7135 East Camelback Road, Suite 290
Scottsdale, AZ 85251

With a copy to:
Snell & Wilmer LLP
One Arizona Center
400 East Van Buren
Phoenix, AZ 85004-2202
Attention: Craig K. Williams, Esq.

In the case of Scottsdale Convention & Visitors Bureau:
Scottsdale Convention & Visitors Bureau
Galleria Corporate Centre
4343 N. Scottsdale Rd., Suite 170
Scottsdale, AZ 85251

In the case of City:
Attention: Tourism Development Manager
City of Scottsdale
7447 E. Indian School Road, Suite 200
Scottsdale, AZ 85251

Notices shall be deemed received on date delivered if delivered by hand and on the delivery date indicated on receipt if delivered by certified or registered mail.

17. CAPTIONS. The captions used in this Agreement are solely for the convenience of the parties, do not constitute a part of this Agreement, and are not to be used to construe or interpret this Agreement.

18. SEVERABILITY. If any term or provision of this Agreement shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Agreement shall remain in full force and effect and such term or provision shall be deemed to be deleted.

19. AUTHORITY. Each party hereby warrants and represents that it has full power and authority to enter into and perform this Agreement, and that the person signing on behalf of each has been properly authorized and empowered to enter into this Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

20. PUBLICITY. Except as may be required by law or any governmental authority, or to obtain any consents or approvals required by this Agreement, the parties hereto shall not, without the consent of the other party, make any public disclosure of the existence of this Agreement, the parties hereto, the terms hereof or any other matter related hereto.

21. INTELLECTUAL PROPERTY. Each party hereby grants the other party a non-exclusive license to use the trademarks, trade names and related intellectual property rights related to the promotion requirement and obligations under this Agreement; provided, however, prior to the use of any such trademarks, trade names, logos or intellectual property rights, both parties shall mutually agree on the use of any and all such property rights so as to maintain the integrity and goodwill of the parties to this Agreement. Notwithstanding anything contained herein, neither party shall have any ownership rights in the other party's trademarks, trade names, logos or other intellectual property rights.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, SCVB and Fiesta Bowl have hereunto subscribed their names as of the date first above stated.

SCOTTSDALE CONVENTION & VISITORS BUREAU, INC.

By: _____

Rachel R. Sacco
Rachel R. Sacco, President & CEO

Subscribed and sworn to before me this 28 day of August, 2006 to certify which witness my hand and seal of office.

NOTARY PUBLIC



FIESTA EVENTS, INC.

By: _____

John Junker
John Junker, President & CEO

Subscribed and sworn to before me this 28th day of August, 2006 to certify which witness my hand and seal of office.

NOTARY PUBLIC

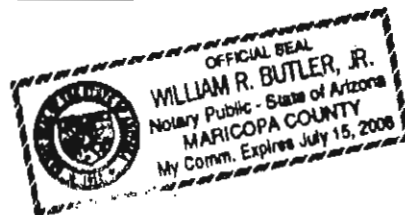


EXHIBIT "E"
ADDITIONAL EVENT REQUEST
FOR

DESTINATION MARKETING SERVICES AGREEMENT

Pursuant to Destination Marketing Services Agreement No. 2012-053-COS dated _____,
20____, for fiscal year 20____/20____, SCVB Proposes an Additional Event as follows:

1. Date of this request: _____, 20____
2. Date of proposed Additional Event: _____, 20____
3. Proposed Additional Event name: _____
4. Name of proposed Additional Event producer: _____
5. Proposed Additional Event description:

6. Proposed Producer Requirements for the proposed Additional Event:

- 6.1 No later than _____, 20____, Event Producer shall _____.
- 6.2 No later than _____, 20____, Event Producer shall _____.
- 6.3. No later than _____, 20____, Event Producer shall _____.
- 6.4 No later than _____, 20____, Event Producer shall _____.
- 6.5 No later than _____, 20____, Event Producer shall _____.

9835351v1

Contract No. 2012-053-COS

7. Proposed Event SCVB Requirements for the proposed Additional Event:

7.1 No later than _____, 20____, SCVB shall
_____.

7.2 No later than _____, 20____, SCVB shall
_____.

7.3. No later than _____, 20____, SCVB shall
_____.

7.4 No later than _____, 20____, SCVB shall
_____.

7.5 No later 20____, SCVB shall
_____.

8. Proposed Event City Requirements for the proposed Additional Event:

8.1 No later than _____, 20____, City shall
_____.

8.2 No later than _____, 20____, City shall
_____.

8.3. No later than _____, 20____, City shall
_____.

8.4 No later than _____, 20____, City shall
_____.

8.5 No later than _____, 20____, City shall
_____.

Scottsdale Convention & Visitors Bureau

Budget for Fiscal Year July 1, 2012 - June 30, 2013

	Original Budget 2012-2013	REVISED Budget 2011-2012	Budget 2011-2012
REVENUE			
Contracts			
City of Scottsdale - Basic (50%)	6,692,500	\$ 6,466,000	6,123,500
City of Scottsdale - Carryover	81,948	737,000	737,000
City of Scottsdale - True-up		313,000	
COS Pass-through Fiesta Bowl	265,717	255,497	255,497
COS Pass-through RnR Marathon	90,000	90,000	90,000
Total City of Scottsdale Funding	7,130,165	7,861,497	7,205,997
Town of Paradise Valley	950,000	925,000	925,000
Ft McDowell Yavapai Nation	75,000	75,000	75,000
Salt River Pima	75,000	75,000	75,000
State of Arizona - Prop 302	1,500,000	799,615	700,000
TOTAL CONTRACTS	9,730,165	\$ 9,736,112	\$ 8,980,997
 Project/Program Revenue	 1,118,052	 1,200,000	 1,200,000
 TOTAL ALL REVENUE	 10,848,217	 \$ 10,936,112	 \$ 10,180,997

Scottsdale Convention & Visitors Bureau

Budget for Fiscal Year July 1, 2012 - June 30, 2013

	Original Budget 2012-2013	REVISED Budget 2011-2012	Budget 2011-2012
EXPENSES			
Personnel:			
Salaries	3,140,877	2,927,690	2,927,690
Benefits	620,212	573,517	573,517
Payroll Taxes	258,911	238,793	238,793
TOTAL PERSONNEL	4,020,000	3,740,000	3,740,000
Marketing:			
Advertising	2,451,170	3,143,938	2,601,879
On Line Advertising	450,000	473,133	473,133
Agency Retainer	131,000		
Relationship Marketing	10,000	75,000	75,000
Printing	293,545	285,000	285,000
Production	167,000	107,000	107,000
Web Site Expenses	32,750	52,750	52,750
Event Sponsorships/Contract Obligations	471,217	433,000	433,000
Event Operating Expenses	187,000	207,000	207,000
Marketing Amenities/Promo Items	47,500	41,500	41,500
Photography	100,600	51,500	51,500
Strategic Planning/Research/Prof Services	74,000	67,000	67,000
Postage/Fulfillment	166,000	155,800	155,800
Call Center	3,535	3,385	3,385
Operations/Travel	59,900	57,050	57,050
TOTAL MARKETING	4,645,217	5,153,056	4,610,997
Convention Sales & Services:			
Local Meeting Expenses, Mileage, Dues	70,000	42,000	42,000
FAMs	72,000	92,000	67,000
Sales Calls/Missions	64,000	59,000	59,000
Tradeshows/Conferences	186,000	201,000	201,000
Meetings Sponsorships	15,000	37,000	37,000
Prospect Marketing and List Purchases	137,000	52,000	52,000
Sales Training	9,500	8,000	8,000
Client Events	56,500	44,000	44,000
TOTAL CONVENTION SALES	610,000	535,000	510,000

2012-053-COS

Exhibit "F"

Page 2 of 5

Scottsdale Convention & Visitors Bureau

Budget for Fiscal Year July 1, 2012 - June 30, 2013

	Original Budget 2012-2013	REVISED Budget 2011-2012	Budget 2011-2012
Tourism:			
Local Meeting Expenses, Dues, Postage, Supplies	65,500	58,500	58,500
Trade Representation, Co-op Programs, Sponsorships	108,000	113,000	83,000
FAMs/ Site Inspections	15,000	15,000	15,000
Tradeshows, Conferences	70,000	67,000	67,000
Sales Missions/Product Training	64,500	56,500	56,500
TOTAL TOURISM	323,000	310,000	280,000
Communications:			
Local Meeting Expenses, Mileage, Dues	40,000	25,000	15,000
Golf Marketing	80,000	80,000	80,000
International PR Contracts	97,000	96,500	70,000
Conferences & Media Forums	52,000	16,500	16,500
Incoming Media Program	110,000	75,000	75,000
Trade Shows	10,000	5,000	5,000
Media Missions/Events	119,000	85,500	85,500
Corporate Communications	27,000	28,000	28,000
TOTAL COMMUNICATIONS	535,000	411,500	375,000
Membership:			
Telephone			
Copier Expenses	1,000	1,000	1,000
Postage	1,000	700	700
Office Supplies	1,000	500	500
Local Meeting Expenses, Mileage, Dues	4,000	4,000	4,000
Member Materials/Communication	1,200		
Professional Services	3,000	5,000	5,000
Newsletters			
Seminars	2,000	2,000	2,000
Out of Town Travel	1,800	1,800	1,800
Sponsorship Fulfillment			
TOTAL MEMBERSHIP	15,000	15,000	15,000

Scottsdale Convention & Visitors Bureau

Budget for Fiscal Year July 1, 2012 - June 30, 2013

	Original Budget 2012-2013	REVISED Budget 2011-2012	Budget 2011-2012
OVERHEAD COSTS:			
Operations:			
Software	5,000	27,000	22,000
Network Equipment	-	8,000	8,000
Office Equipment/Furniture		7,500	7,500
Training:			
Computer Training	5,000	7,000	2,000
IT and Accounting	19,000	20,000	20,000
Maintenance Contracts	45,000	45,000	45,000
Office Rent	260,000	245,000	245,000
Bank Fees	1,000	2,500	2,500
Credit Card Fees	5,000	5,000	5,000
Payroll Fees	6,500	6,500	6,500
Property Taxes	1,500	1,500	1,500
Corporate Insurance	30,000	29,000	29,000
IT Professional Services	50,000	7,000	7,000
Audit Professional Services	13,000	12,500	12,500
Legal Professional Services	38,000	42,000	27,000
Human Resources Services	10,000	12,000	2,000
Internet Access	20,000	20,000	20,000
Telephone Lines & Long Distance	30,000	25,000	25,000
Fax Expenses	1,000	1,000	1,000
Cable TV	1,500	1,500	1,500
Copier Expenses	18,000	15,000	15,000
Postage Meter Rental/Expense			
Postage	5,500	6,000	6,000
Office Supplies	12,000	12,000	12,000
Dues & Subscriptions	60,000	60,000	60,000
Employee Recruitment/Relations	12,000	15,000	10,000
Printing	1,000	5,000	5,000
TOTAL OPERATIONS	650,000	638,000	598,000

Scottsdale Convention & Visitors Bureau

Budget for Fiscal Year July 1, 2012 - June 30, 2013

	Original Budget 2012-2013	REVISED Budget 2011-2012	Budget 2011-2012
Board & CEO:			
Hotelier/Member Meetings	4,500	4,500	4,500
Telephone Lines & Long Distance	1,000	1,000	1,000
Office Supplies	4,400	4,400	4,400
Board of Directors	10,000	12,000	12,000
Local Staff Travel	16,000	16,000	16,000
Local Meeting Expense	5,500	5,500	5,500
Dues & Subscriptions	2,000	2,000	2,000
Conferences/Professional Education	1,000	1,000	1,000
Out of Town Travel	5,000	5,000	5,000
Copier Expense	500	500	500
Postage	100	100	100
TOTAL BOARD & CEO	50,000	52,000	52,000
Total "Overhead Costs"	700,000	690,000	650,000
As a Percentage of Total Revenue	6.45%	6.31%	6.38%
As a Percentage of City of Scottsdale Revenue	9.82%	8.78%	9.02%
TOTAL ALL EXPENSES	10,848,217	10,854,556	10,180,997
Carryover into Fiscal Year 2012-2013	-	81,556	

**SCOTTSDALE TOURISM DEVELOPMENT COMMISSION
CITY OF SCOTTSDALE
ECONOMIC DEVELOPMENT CONFERENCE ROOM
4021 N. 75TH STREET, SUITE 102
SCOTTSDALE, ARIZONA 85251
MAY 8, 2012
SPECIAL MEETING
APPROVED MINUTES**

PRESENT: Michael Hoffmann, Chairman
Kathleen Glenn, Vice Chairwoman
Ace Bailey, Commissioner
David Richard, Commissioner
David Scholefield, Commissioner
Mike Surguine, Commissioner

STAFF: Steve Geiogamah
Rob Millar
Lee Guillory
Dan Worth
David Smith
Paul Katsenes
Holli Shannon
Jack Shafer
Ben Moriarity

GUESTS: Rachel Sacco, SCVB

1. Call to Order/Roll Call

Noting the presence of a quorum, Chairman Hoffmann called the special meeting of the Scottsdale Tourism Development Commission to order at 8:01 a.m.

2. Approval of Minutes

- April 17, 2012 Regular Meeting

COMMISSIONER SURGUINE MOVED TO APPROVE THE MINUTES OF THE APRIL 17, 2012 REGULAR MEETING. COMMISSIONER BAILEY SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0).

3. Bed Tax Revenue Request – Tournament Players Club Facility Upgrades

Dan Worth, Executive Director Public Works, stated that the Tournament Players Club of Scottsdale is the result of a partnership between the City of Scottsdale and the Federal Bureau of Reclamation. The Bureau makes land available to the City for the golf course through a long-term license agreement. A separate contract between the City, TPC

Scottsdale, and the Professional Golf Association Tour governs the actual operation of the course. Under the latter agreement, TPC runs the course for the City, while the PGA Tour lends its name and brings the Phoenix Waste Management Open to the course every year.

Mr. Worth said the City is looking to fund a \$4 million capital improvement to the clubhouse and an \$11 million renovation of the Stadium Course in order to keep the facility competitive and meet the needs of the PGA Tour. The golf tournament is a big part of Scottsdale tourism, and people come to visit the course all year long because of its status as a PGA venue. Therefore, it is important that the facility keep up with evolving standards. The clubhouse expansion is designed to add dining space, locker rooms, shower facilities, and a training room. The improvements to the Stadium Course include upgrading the irrigation system, rebuilding features on individual holes, and resurfacing greens. The Champions Course was renovated in 2006.

Mr. Worth said the bulk of the work is scheduled for 2013. The amended agreement says that the City will provide funding for specified major capital replacements throughout the rest of the term of the contract, and will commit to make funding available. The agreement also addresses the Basin Management Fund, which is a surcharge added to every round of golf played, which generates about \$100,000 each year for small improvements.

Mr. Worth explained that in exchange for the City's long-term and short-term investments, the TPC and the PGA agree to exercise their option to extend the current contract from 2035 to 2060. Currently, no commitment to host a PGA Tour event at TPC Scottsdale exists, and this agreement would lock the tour in for 24 years. The parties have also committed to national television coverage of the tournament, and have contracts in place with CBS and the Golf Channel to provide it.

Steve Geiogamah requested action on a recommendation to set aside bed tax money for the TPC clubhouse and Stadium Course improvements in 2012/2013. Mr. Smith reviewed that it would take two \$600,000 slices of bed tax revenue to cover the \$15 million debt service for the project, but only one slice is available now. If City Council approves the special revenue fund, there would be sufficient resources in that fund for the whole project.

Vice Chairwoman Glenn inquired whether approval of the request would dedicate the entire special capital projects funding to City-owned facilities. Lee Guillory explained that if the special revenue fund is approved, the Princess lease revenue would add two new slices of \$600,000 each, and a half slice at \$300,000. If Council agrees to base slices at a flat dollar amount instead of on a percentage basis, as revenue grows new slices would be created to commit to other future projects. One unallocated bed tax slice remains available from the current bed tax fund.

Mr. Smith noted that the TPC proposal is to fund the entire project from the special revenue fund, which would go against a previous Commission recommendation opposing the use of bed tax monies to fund any tourism-related capital project for more than 50% of the cost of the project. Mr. Geiogamah recalled that the TDC's recommendation was only for a specific project, not all capital projects. Commissioner

Richard responded that the TDC's concern in making the recommendation was to prevent one or two projects from consuming all the money.

Ms. Guillory reiterated that currently, the bed tax fund has four slices for capital projects. One slice is committed to WestWorld land, one to the Tony Nelssen Center, and one is tentatively committed to the Museum. That leaves one uncommitted slice. If the Princess lease revenue is added to the special revenue fund, an additional two and a half slices would become available. If the Museum project does not move forward, that slice would also be available. Vice Chairwoman Glenn felt that the range of funded projects should extend beyond golf and horses, and that more money should be spent creating new opportunities for Scottsdale tourism. Committing more than one slice limits future options.

Commissioner Surguine said felt that the TDC's recommendation to limit funding to no more than 50% of a project was irrelevant, since City Council has the ability to decide otherwise. He expressed caution that Council could decide to divert the entire Princess lease revenue into the General Fund instead. On the other hand, if Council approves the special revenue fund and two slices are committed to the TPC, the remaining half slice would be available for another project. Mr. Smith suggested that the TDC could wait until next Tuesday to make a recommendation, since the situation regarding the Princess revenues would be clarified by then. Chairman Hoffmann said he preferred to avoid making a last-minute recommendation that would risk not being noticed by Council.

Commissioner Surguine stated that the TPC project has to be done. He inquired about the availability of other funding options to make up the difference, should only one slice be committed to it. Mr. Worth responded that besides the Princess lease revenue and the bed tax fund, the third source is revenue from the TPC lease itself, to the extent that it is uncommitted. Currently TPC lease revenue is paying for debt service on the revitalization of the Champions Course in 2006, which amounts to about \$650,000 per year. This would leave about \$250,000 for the new project.

Commissioner Richard queried whether using bed tax revenue to pay for TPC improvements would be problematic, considering that other hotel properties pay into the fund, yet only guests of the Princess enjoy preferential tee time treatment. Mr. Worth responded that other resort properties benefit whenever people come to Scottsdale to play golf.

Chairman Hoffmann asked the TDC to first vote on the number of slices they were willing to commit to golf. Commissioner Surguine expressed concern about voting for any funding unless it were tied to Princess lease revenue. Jack Shafer, City Attorney, suggested that the TDC could make a motion approving one or two slices of the bed tax, contingent upon the availability of the Princess funds.

COMMISSIONER SURGUINE MOVED TO RECOMMEND ALLOCATING TWO SLICES OF THE BED TAX TO THE TPC FACILITY UPGRADES, CONTINGENT UPON THE AVAILABILITY OF THE PRINCESS LEASE REVENUE.

The motion failed for a lack of a second.

COMMISSIONER RICHARD MOVED TO RECOMMEND ALLOCATING ONE SLICE OF THE BED TAX TO THE TPC FACILITY UPGRADES, CONTINGENT UPON THE PRINCESS LEASE REVENUE BEING TRANSFERRED INTO THE SPECIAL REVENUE FUND. COMMISSIONER SCHOLEFIELD SECONDED.

Mr. Smith suggested that it would be clearer for posterity if the motion stated support in terms of dollar amounts.

COMMISSIONER RICHARD MOVED TO RECOMMEND ALLOCATING \$600,000 PER YEAR FOR 20 YEARS TOWARDS THE TPC FACILITY RENOVATIONS, CONTINGENT UPON THE PRINCESS LEASE REVENUE BEING DEDICATED TO THE TOURISM SPECIAL REVENUE FUND. COMMISSIONER BAILEY SECONDED. THE MOTION CARRIED BY A VOTE OF FIVE (5) TO ONE (1), WITH COMMISSIONER SURGUINE DISSENTING.

4. FY12/13 Destination Marketing Guide

COMMISSIONER BAILEY MOVED TO ENDORSE THE FY12/13 DESTINATION MARKETING GUIDE AS PRESENTED. VICE CHAIRWOMAN GLENN SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0).

5. FY12/13 Destination Marketing SCVB Performance Measures

Mr. Geiogamah stated that staff would present the proposed SCVB performance measures to City Council on June 19. Ms. Sacco said the SCVB team has analyzed the performance measures and feels they are challenging but reasonable.

Commissioner Scholefield requested that in the future, the Commission be provided with more than just the previous year's information. Ms. Sacco agreed to provide all of the SCVB's historical contract performance measures to the TDC before their next meeting.

COMMISSIONER BAILEY MOVED TO FORWARD AS SUBMITTED THE DESTINATION MARKETING SCVB PERFORMANCE MEASURES TO CITY COUNCIL FOR THEIR APPROVAL. COMMISSIONER RICHARD SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0).

6. Tourism Development Commission Revised City Code

David Smith, City Treasurer, stated that some City Council members feel that the money collected from the Princess Resort lease payments, which has historically been used for retirement of the TPC debt, should remain dedicated to tourism initiatives now that that debt has been retired. Staff proposes to take that lease revenue stream out of the General Fund and combine it with the bed tax revenue to create a special revenue fund exclusively for tourism-related initiatives. City Council could also opt to earmark additional money for this fund, should projects generates a positive cash flow in the future.

Mr. Smith stated that currently, the TDC's charter tasks the Commission with advising City Council on how to spend bed tax money. Staff proposes broadening the ordinance so that the Commission can advise Council on the spending of all tourism money from the special revenue fund, including the Princess lease revenue. Several paragraphs in the City Code restrict what the Commission can do. Staff proposes deleting the parameters that determine how the Commission provides advice. If City Council accepts the changes, the TDC's mandate will broaden.

COMMISSIONER SURGUINE MOVED TO RECOMMEND APPROVAL OF THE ORDINANCE CHANGES AS PROPOSED BY THE CITY TREASURER. COMMISSIONER RICHARD SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0).

7. Identification of Future Agenda Items

Chairman Hoffmann noted that the next TDC meeting is scheduled for Tuesday, May 15 at 8:00 a.m.

8. Public Comment

There were no public comments.

13. Adjournment

The meeting adjourned at 8:56 a.m.

Respectfully submitted,
AV Tronics, Inc. DBA AVTranz.

Scottsdale Convention & Visitors Bureau
Destination Marketing (SCVB)
Agreement

City Council Meeting
June 19, 2012

Destination Marketing Agreement

The city's destination marketing program services has been provided by the SCVB since 1977.

Program funding is based on Proposition 200.

*50% of total annual bed tax collections
shall be used toward destination
marketing.*

Destination Marketing Agreement

Contract Monitoring and Compliance Audit

Audit conclusion:

- Contract monitored effectively.
- Services received per agreement.
- Recommendations for multi-year agreement.

Destination Marketing Agreement

Contract Terms

Quarterly:

- Performance measures
- Programming updates
- Financial reports

Annually:

- Annual Audit
- Financial and performance reports.

Funding and marketing activities require annual city council approval.

Destination Marketing Agreement

FY2012/13 Bed Tax Receipts \$13,385,000

SCVB Contract Base Funding \$6,692,500

Advertising and Marketing
Online Marketing and Social Media
Direct Group Meeting and Travel Industry Sales
Event Promotional Programs
Production and Distribution of Promotional Material
Convention and Visitor Services
Public and Media Relations

Fiesta Bowl Agreement	\$265,717 (*)
PF Chang R&R Marathon	<u>Pending</u>
Total	<u>\$6,958,217</u>

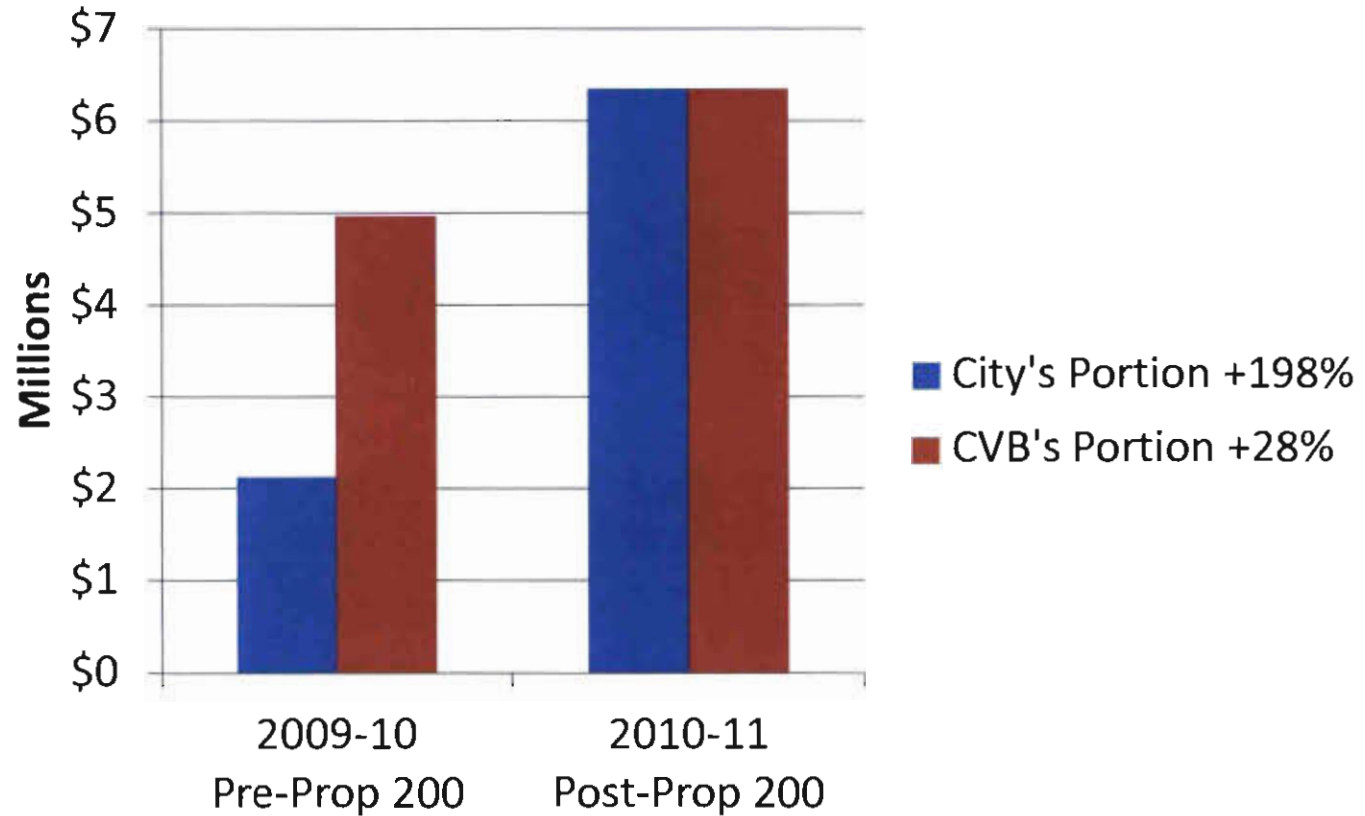
(*) Fiesta Bowl expenditure is per the terms of the 2007-2026 agreement approved by City Council on August 28, 2006.

Scottsdale City Council Meeting

June 19, 2012



Bed-Tax Collections



Sales-Tax Revenue

For every \$1 our visitors
generate in bed-tax
revenue, **\$3** is generated in
sales-tax revenue.



Return on Investment

The CVB generates **\$31**
for Scottsdale for every \$1
invested in the organization.

\$7 more than last year's ROI



The Competition

CITY	STATE	2011 BUDGET (millions; budgeted)	2011 STAFF (FTE; budgeted)
Scottsdale	Arizona	\$ 9.7	39
San Antonio	Texas	\$ 20.1	94
Miami	Florida	\$ 21.8	65
San Diego	California	\$ 30.0	65
Orlando	Florida	\$ 49.8	174
Las Vegas	Nevada	\$ 226.3	505

Source: DMAI

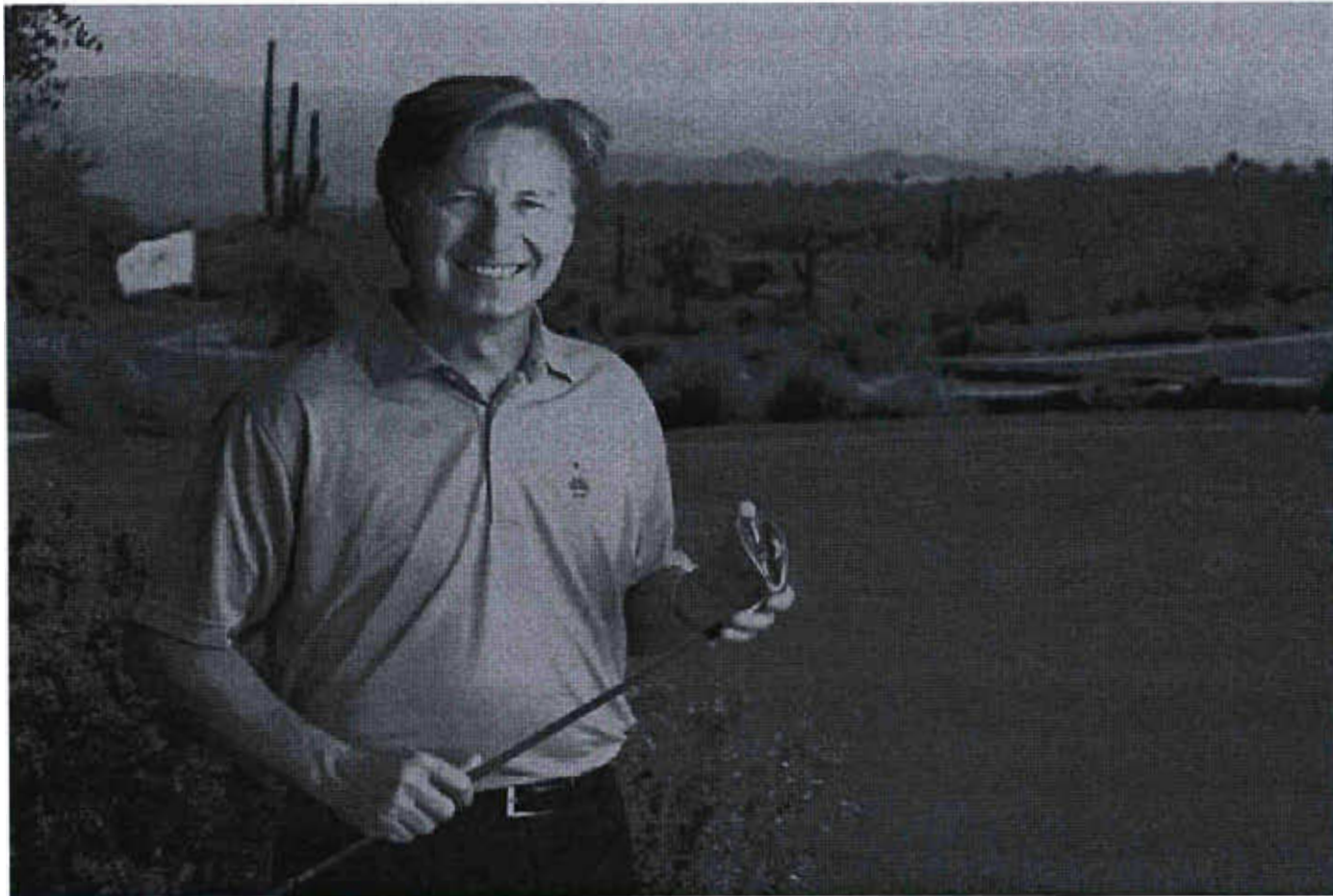


2012-13 Strategic Initiatives

- Avid Golfers
- New York & Canada
- Holiday Campaign
- Website Redesign



The World's Finest Golf Destination

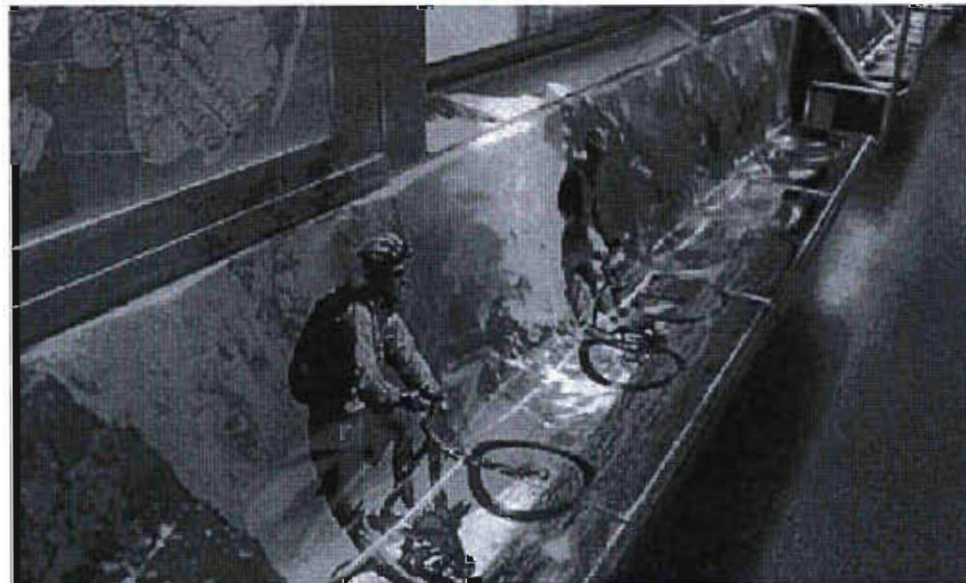


New York & Canada

- Increase advertising in New York and Canada, which both present strong growth potential
- New York
 - 25% increase in advertising spend over prior year
 - Additional public relations representation
- Canada
 - More than double advertising spend over prior year
 - Additional sales representation



New York Subway Wrap



Canada – Traffic & Weather

Traffic Reports

"Today's high in Scottsdale, AZ is 72 degrees. Get out of the cold and visit WarmUpInScottsdale.com today to plan your warm winter getaway."

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"It's minus 25 in Regina tomorrow. The average high in Scottsdale, AZ during January is 22 Celsius (68 degrees). Visit WarmUpInScottsdale.com to plan your warm winter getaway."



Holiday Campaign

- Multi-year campaign to capture more market share during holiday need period
- Using data from Scottsdale resorts, Acxiom created a propensity model/profile of 100,000 U.S. customers with highest likelihood to travel to Scottsdale during the holidays
- Campaign will include direct mail, email, social media, online ads and travel agent promotions



NEW TO
HIGH
TOP

WELCOME TO SCOTTSDALE

In the heart of the Sonoran Desert, Scottsdale welcomes you with the energy of a sophisticated city on the move, the charm and hospitality of days gone by, and a breathtaking landscape that will inspire you to vacation-redneck bliss. That will inspire you to vacation-redneck bliss.

TAKE A PHOTO TOUR

Golf Adventure Sports Art Heritage Spa



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Request the Visitors Guide >
Your original guide to what is
happening in and around Scottsdale

CHECK IT OUT



400+ Ways to Live in Scottsdale
Summer in Scottsdale means red-hot savings for
sommers. When the temps rise, prices at area resorts
drop. It's the perfect time to plan a luxurious
beach vacation because you can save up to 50
percent on everything from accommodations to golf
and spa. It might be the off-season, *head here*

Sign up for our newsletter



FEATURED VIDEO



YTD Results

July 2011-May 2012 vs. July 2010-May 2011

- Economic impact from meetings
 - up 6% to \$62 million
- Tourism leads and services
 - up 15% to 1,867
- Value of PR articles generated
 - up 13% to \$15.4 million
- Economic impact of visitor inquiries
 - up 11% to \$178 million
- Unique website visitors
 - up 17% to 1.2 million



Thank you!



Item 28

Steve Geiogamah

Scottsdale Convention & Visitors Bureau Destination Marketing (SCVB) Agreement

City Council Meeting

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Rachel Sacco

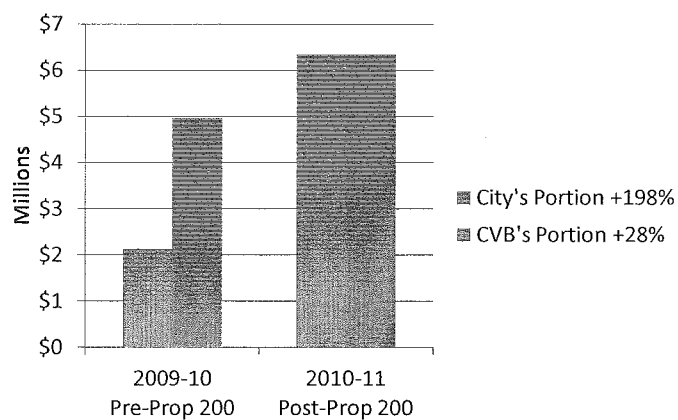
Scottsdale City Council Meeting

June 19, 2012

Celebrating 25 years promoting Scottsdale as a world-class destination!

Scottsdale
Community Development

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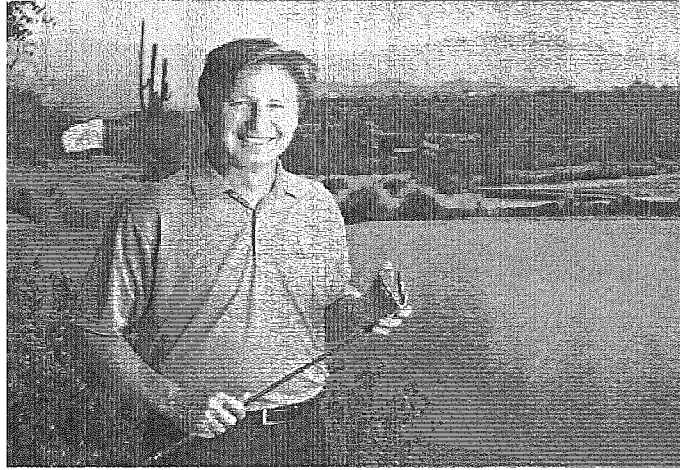
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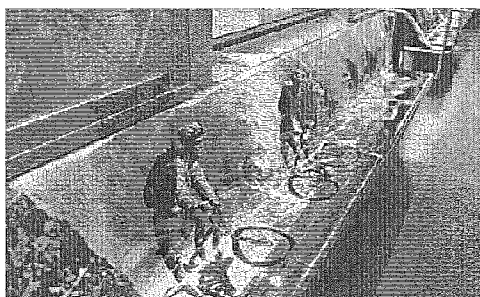
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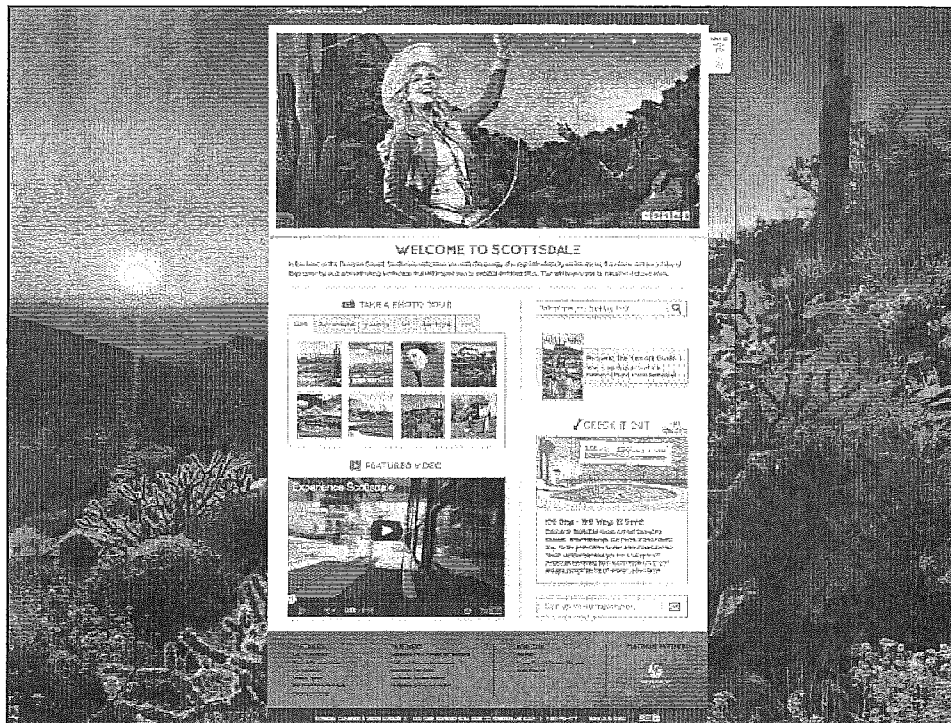
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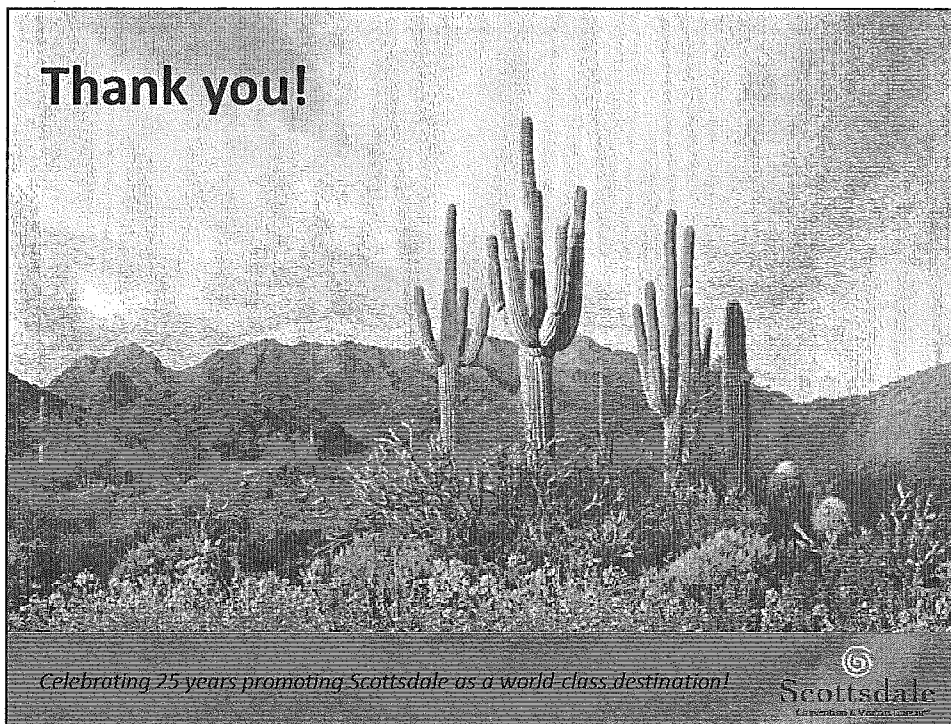


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Arizona's World-Class Destination